

## DEFINITIONS

Blight: Deterioration of neighborhoods due to lack of maintenance.

Building Codes: Standards regulating building construction for general health and safety.

Census Data: Data taken every ten years using samples generally of 5 to 15 percent. (Data is inconsistent and generally unreliable in rural areas of smaller populations.)

City: Areas entirely within the city limits.

Commercial Banking: A bank oriented to corporate business rather than full service banking.

Complex: Multi-family units which have more than ten dwelling units in more than one building and utilize one site.

### Condition:

Standard The structure has a foundation; the walls are straight and solid; the roof-line is straight and the roof needs no repair; there is no sag to porches and steps; all structure appurtenances such as porch, gutters, downspouts, steps, rails, chimney, windows, doors, etc. are in good repair; the paint is in good condition and the overall appearance is good.

Deficient A structure rated as deficient indicates a need for certain repairs, but all of a non-structural nature. Repairs needed can be any of the following:

Minor repairs in the form of new paint, repairs to the structure appurtenances such as porch, gutters and downspouts, steps, rails, chimney, roof, windows and doors.

Medium repairs in the form of extensive repairs or replacement of the structure appurtenances including roof and wall surfaces (Indications of this are siding that is falling off, broken or completely missing; roofs where much of the material is falling off or missing; broken down porches, steps and rails, chimney or broken windows and doors).

Substandard Structures rated as substandard usually have structure defects such as the following: no foundation, leaning or bowed walls, a sagging roof-line, sagging windows and floor line or a badly cracked foundation. A structure is rated substandard if it has an accumulation of needed repairs mentioned under the deficient classification.

Condominium: Multi-family structures of numerous varieties which provide for ownership of individual units.

Conventional Construction: Homes built on a site with a permanent foundation.

Demand: Desire, in addition to need for a commodity, i.e. housing, at a specified price and time.

Dwelling Unit: A structure which provides for living and sleeping and contains bathroom and kitchen facilities.

Full Community Services: Facilities such as libraries, schools, sewer and water systems, downtown shopping areas, parks, etc.

Full Service Banking: A bank that provides all banking services such as checking, savings, loans, escrow.

Government Housing Projects: Projects directly or indirectly subsidized, developed, managed or maintained by government funds or agencies.

Growth Factor: Estimated number of new dwelling units necessary to house new residents.

Housing Growth Rate: Dwelling units resulting from demand.

Healthy Number and type of units adequate to serve the local demand.

Steady Regular new construction is provided yearly without obvious influence from demand or economic situations, but this does not necessarily mean local demand is adequately served.

Housing Mix: Variety of types, styles and costs of dwelling units within a given area. For example, single family or multi-family, low income or high income.

Income Distribution: Census information which groups yearly income rates into categories from which family financial status can be determined.

Maintenance: The care and upkeep of a structure which includes preservation and repair.

Mean: The middle value between extremes.

Median: The value above and below which there is an equal number of values.

Migration: Movement of people from one locality to another.

Mobile Home: Any dwelling unit which is prefabricated with a chassis for towing.

Mobility: Ability of residents to relocate within defined areas.

Mode: The value which occurs with the most frequency.

Montana Usury Law: The ten percent lending interest rate ceiling.

Mortgage Bank: A bank specializing in buying and selling mortgages and real estate loans.

Multi-Family Dwelling Units: Structures designed for two or more families and having one yard in common such as duplexes, apartments and condominiums.

Number of Units: Simple count of dwelling units.

Progressive Legislation: Laws which provide incentives for compliance.

Reduction of Substandard Stock: Estimated number of new homes which replace specifically substandard structures, increasing the general quality of housing in an area.

Renovation: Restoration of a structure that includes major structural repair.

Replacement: Construction of a new structure in place of one that is inadequate, completely destroyed or no longer usable.

Replacement Factor: Estimated number of new homes needed to maintain the housing inventory.

Residential Developments: Development of residential lots with types of structures influenced directly or indirectly by the developer.

Restrictive Legislation: Laws which regulate activity and generally provides a penalty clause for noncompliance.

Rural: Areas within the county but not contained within the city planning areas.

Socio-Economic Class: Identification of neighborhood composition based on sociologic and economic factors.

Speculation: Assumption of business risk with profit derived from a fluctuating market.

Structure: Dwelling units which have less than 10 units.

Suburban: Areas outside the city limits but inside the municipal planning boundaries.

Tenure Requirements: Estimated number of different types of housing units based on regional demands, local needs and local income data.

Vacancy Factor: Estimated number of new homes required to maintain an adequate number of homes for sale or rent which would provide a choice and selection to suit the variety of local desires and needs.

SUMMARY OF CONCLUSIONS



## SUMMARY OF CONCLUSIONS

### History and Growth

1. Speculation can divert favorable aspects of growth.
2. Inadequate housing to meet demand can divert potential residents to other cities and the income generated by a local industry is then spent in another town.
3. Design of residential developments should be compatible with the existing environmental features.
4. If adequate housing is to be provided, growth should not be underestimated. It is better to have more than enough homes than too few.
5. Building codes, as a separate regulatory tool, do not provide new improved housing nor any incentive to improve existing housing.
6. Development of full community services is highly desirable for steady, healthy housing growth rates.

### Population Characteristics

1. Flathead County is in a most desirable location for increased population growth.
2. The people of Flathead County are concerned about future population growth. However, they seem to be divided over the different philosophies concerning future population growth. For example, some believe that population growth should be limited or controlled while others believe that any attempt to limit population growth would be detrimental to economic growth and prosperity.

### Social and Economic Characteristics

1. The correlation between social and economic characteristics is rather close and is frequently facilitated by the type of housing and housing growth an area has.
2. It is undesirable to have developments, neighborhoods or communities that represent only one socio-economic class. A mixture of economic levels and social status within housing areas, including multi-family complexes, seems to make everyone conscious of the responsibility to maintain real estate values, reduce class level conflict and enhance community spirit.

### Housing Inventory by Type and Condition

1. There is a direct correlation between the number of multi-family units and the number of mobile homes. For example, Kalispell has the highest percentage of multi-family units and the lowest percentage of mobile homes. Whitefish has the lowest percentage of multi-family units and the highest percentage of mobile homes.

2. The correlation between number of multi-family units and mobile homes indicates a dual preference for conventional construction and home ownership in the demand for housing that is not satisfied by a single family dwelling unit.

3. The number of units in structures tend to fall in two categories, less than five and greater than ten.

### Housing Age and Condition

1. Housing constructed before 1940 is in good condition for its age. It has either been renovated, had excellent maintenance or well constructed.

2. Much of the housing constructed during the 1940's has lost its functional or economic value and has been removed. The 1940 housing stock has the poorest overall housing condition and needs to be renovated or replaced.

3. Houses built in the 1950's and 1960's are the county's best stock and should be maintained.

4. Construction in the past five years has frequently been of poor quality and more than 50 percent of the houses built are considered deficient. Evidence suggests that poor construction is more prevalent in government housing projects.

### Housing Growth Trends

1. During the first half of the century people tended to live in or very near cities, but during the 1950's and especially the 1960's the trend was to live away from the city area in suburban areas or rural communities. However, recent trends are showing an increase in the growth rate of cities, which may relate to job accessibility and availability of community facilities in the city.

2. Recent developments are characterized by planning and developing land adjacent to cities, and then applying for annexation to the city.

3. Growth rates in the city, suburban and rural areas in Flathead County show similar increases.



## Value and Rent

1. There is a great difference between the value of a house and the cost of a house. This difference results from the housing shortage and increased price of available houses. Another factor is the country's inflation.

2. Housing values are indicators of general housing quality.

3. Although the figures for housing value include improvements, location of the improvement also affects its value. Whether this is because of appraisal methods or substantially different and conscious decisions on construction in different areas is not known and should be investigated.

4. Rental rates have increased considerably from 1960 to 1970. It seems that units in lower categories are being increased to higher rental rates and new units are being added in these same higher rent levels. Consequently, lower rental units are harder to find, and some higher rental units are not equal in quality with the price they are asking.

5. The housing ownership market is not a dynamic market, while the rental market is. Changes in housing demand can be noticed in the rental market sooner and more dramatically.

## Local Housing Mortgage Market

1. Local banks have participated more in individual real estate loans in the past ten years than they did earlier because banking philosophy shifted from commercial banking to full service banking.

2. Other sources of real estate money, such as insurance companies, have reduced the amount of funds allocated for the mortgage money market.

3. The banks in the Flathead are not mortgage banks and hence, most of the local money stays in the valley with a considerable portion of mortgage money available locally.

4. As a result of the availability of local mortgage money, the local economic conditions have a direct effect on local lending.

5. The valley is also vulnerable to the external forces of the national economy because of the State of Montana's usury law interest rate ceiling. When interest rates outside of the state rise about ten percent, it is economically sound for the local banks to invest their money in those markets rather than in local mortgage markets.

6. Government sponsored loans are not preferred by local bankers because of increased paper work and special considerations. In addition, some of the services provided by the government are now available within the private business sector.

7. Outstanding real estate values have increased dramatically because of the local supply and demand situation increasing the price of housing, inflation and banks lending more money out on the dollar with much of it in real estate. Nationally, banks have moved from 40¢ to 80¢ on the dollar.

8. The present shortage of money is a function of external interest rates, banks being lent out to their legal limits and the effect of recession on the economy's outlook.

#### Local Regulations - Public Input

1. Government must include opportunity for public participation in program development and encourage public response. Over 70 letters were sent out to people involved in the housing market. Only three written responses were returned, two realtors and one architect. Six real estate people, four bankers and one developer-consultant were interviewed. Presentations were made to two real estate organizations.

2. Few responses or discussions addressed the specific topic of this section. Most were general in nature.

3. Causes of potential housing problems are not understood which accounts for the emphasis on immediate gain and the minimal consideration given to the long-term effects of housing on the community. This conservative attitude is normal, it seems for the Flathead, but is rare for the rest of the nation who have already had housing problems.

#### Government Programs

1. Government programs have inherent problems and frequently have not solved the housing problems for which they were created. Changes in these programs can only be at the federal and state levels. Local governments should use them as a last resort and manage them with highly qualified housing experts.

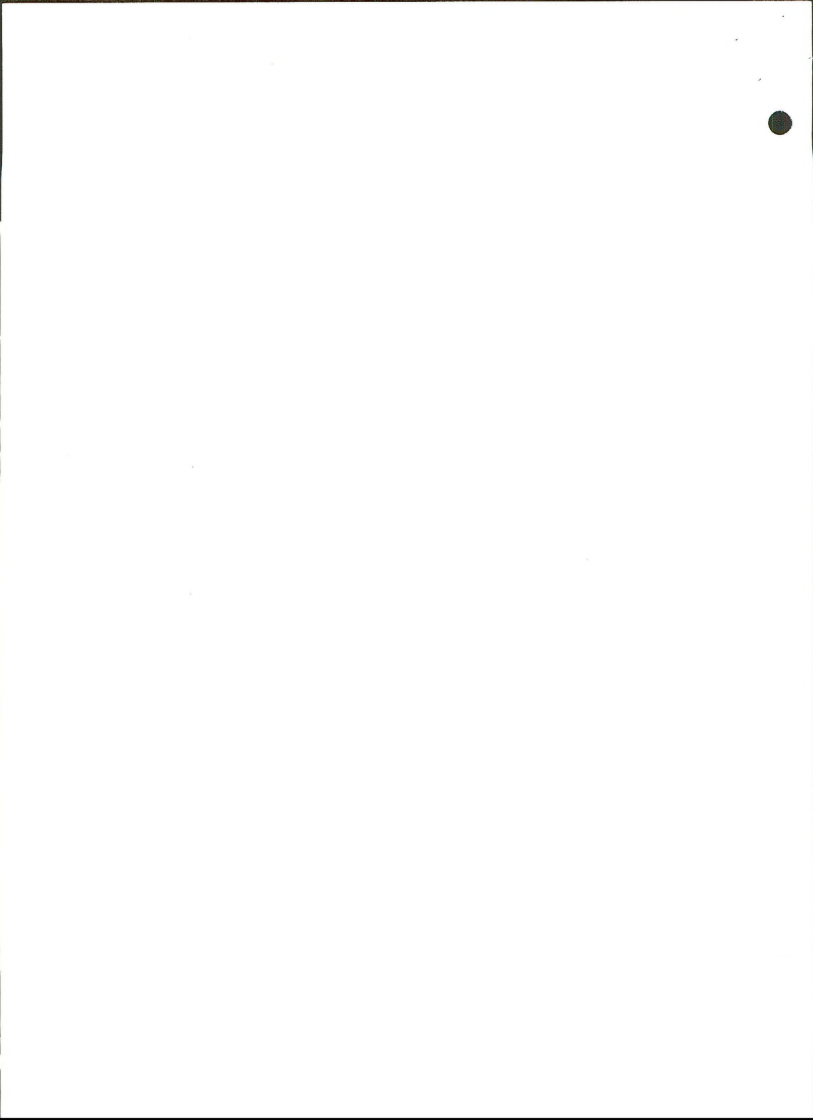
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PRELIMINARY  
FLATHEAD COUNTY HOUSING STUDY

Prepared by  
FLATHEAD COUNTY AREAWIDE PLANNING ORGANIZATION STAFF

May 1975

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## SUMMARY OF RECOMMENDATIONS

### History and Growth

1. State and local officials should investigate ways to control speculation and act to minimize the adverse effects of the housing market, for example capital gains tax legislation.

2. Local authorities should determine what general development goals the community desires and insure adequate housing to accommodate growth. The projections in this study are an attempt to analyze housing needs to the year 1990 based on regional and national trends, population projections and housing data.

3. Development policies and proposals recommended in this study should be adopted as a basis for achieving desirable housing.

4. Municipal and county response to growth has been directed toward provision of water, sewer, fire and police protection. If adequate housing is not available to accommodate growth within local jurisdictions, authority should be extended to the ownership and operation of public housing to fulfill unmet needs. However, such an extension of authority should be done with great caution.

5. Building codes should be an innovative set of regulations and not a restrictive set of rules. Furthermore, building codes and related real estate tax laws should be designed to include incentives to encourage construction quality and housing maintenance.

6. While the housing market growth has necessitated provisions for water, sewer and roads, expansion of facilities is important to assure a stable and healthy development pattern.

### Population Characteristics

1. The desirability of the Flathead as a place to live and work should be preserved and its assets not compromised to commercial, political or social interests.

2. A survey of Flathead County residents should be made in order to establish attitudes toward trends in local housing development.

### Social and Economic Characteristics

1. The correlation between housing condition and socio-economic characteristics exists but further study is necessary to analyze this relationship.

2. A mixture of housing types and styles should be mandatory in all government housing projects and should be encouraged for private developments. If public consensus reveals that a mix of socio-economic characteristics facilitated by a variety of housing types within one community or development is desirable, then incentives should be provided to encourage the private investor to plan such developments.

#### Housing Inventory by Type and Condition

1. Investigation in to the correlation between mobile homes and multi-family units should be continued before any major considerations for regulations or general planning objectives are established. Additional study may disclose more than financial causes for this correlation and may recommend more efficient ways to affect the housing mix than restrictive legislation.

2. The demand in the valley is for home ownership and conventionally constructed units. While financial considerations have necessitated the construction of rental units and mobile homes, government housing plans and developers should strive to make home ownership possible for more people and local government should provide incentives for the conventional construction of residential units.

3. Private developers and public housing projects should try to provide more multi-family housing structures with the number of units between 15 and 50. In relation to the existing structures, such new construction would provide a moderate sized community area and a greater selection of multi-family housing opportunities.

#### Housing Age and Condition

1. Older homes should be preserved. Construction costs presently are so great that the destruction of existing homes would cause a double burden upon the housing market. First, the costs of replacing the home would be more than renovating it in most cases. Secondly, the housing inventory would not increase. Government housing programs should identify substandard and deficient housing structures and provide incentives for renovation. However, the incentive should provide significant savings for the home owner to make it very appealing.

2. Incentives for developers should be provided to reduce housing development costs in an effort to provide better housing at the same cost, or the same quality house at lower cost.

## Housing Growth Trends (1)

Land use in higher density planned communities has over 50 percent of the land completely undeveloped, whereas all of the land is developed in a low density sprawl. Much of the land in the latter is vacant and improved with access to sewer and streets and "leapfrogging" occurs between the vacant areas. The higher density community uses about 50 percent less land for transportation than the low density community.

Economic costs in terms of total investment costs of the high density planned community is distinctly lower - 21 percent below the combination mix community and 44 percent below the low density sprawl community. Most of these savings result from differences in development density. Savings of three percent of total development costs result from better "planning", whereas those from increased density amount to 41 percent. Planning is used here in a very limited sense to mean increased clustering or compactness of development. The largest cost savings are in construction of the residential dwelling, although important savings are attributed to reduced costs for roads and utilities, which are about 55 percent lower in the high density than in the low density community.

In terms of environmental factors, planning is the key to eliminating noise problems, preserving valuable wildlife and vegetation and creating a visually attractive development. For a given developed area, increased density allows the planner greater flexibility in accomplishing these goals. However, the increased density does concentrate noise-generating activities and puts added demand on the designer to create aesthetically pleasing developments. Air pollution has two major sources - automobiles and residential heating. Higher density developments generate about 45 percent less air pollution than the low density sprawl community. 20 to 30 percent of the savings comes from the amount of pollution generated by automobiles because of higher density communities stimulation of less automobile use. The type of development has no effect on the amount of sanitary sewage generated because this is a function only of population. However, it does affect the important problems of storm water pollution and sediment. The less paved area there is, the less storm water runoff there will be. This is important not only in terms of water pollution problems but also in terms of downstream flooding. More clustered communities have somewhat less pavement than sprawl communities, but again the significant savings come from increasing density.

Planning alone can save nearly 14 percent of total energy consumed, but planning combined with increased density can save up to 44 percent. Planning and density affect water for lawn watering. Clustering alone can save six percent of total water consumption, but the high density planned development can save 35 percent over low density sprawl development.

In general, "planning" and increased density reduce the amount of time that family members spend traveling to work, school, etc. and higher density development typically takes less of the residents' time to clean and maintain. There are likely to be fewer traffic accidents with better planning, but crime may increase with higher densities as will various psychic costs which are particularly dependent upon design and planning details.

#### Value and Rent

In order for wise investment decisions to be made by the public, information should be readily available on housing quality, value and condition. Furthermore, if supply is adjusted to meet demand, opportunity costs of the free market system will be reduced and value of housing will more closely reflect cost.

2. Further study should be undertaken to determine the effect of site location on appraisal of homes.
3. Incentives should be provided, especially in the City of Kalispell, to increase the quantity and quality of rental units. Rental units are inadequate compared to opportunities other areas of the nation offer.

#### General Summary

1. The county needs building permits to monitor building rates and locations. However, it would be preferable to have a free permit and impose charges or fines for noncompliance.
2. Tax laws should be revised to include maintenance incentives. Municipalities should investigate local authority to determine if maintenance incentives can be applied within their jurisdictions.
3. Local authorities in cooperation with local finance people should attempt to solve the problems of local housing industry caused by Montana state usury laws and money shortages, and explore the potential of condominiums, real estate investment trusts, real estate syndicates, mortgage banking and cooperatives.
4. Local regulations and new mechanisms for assuring compatibility of new development should be examined.
5. County appraisal cards should be filled in with age of structure. If specific year is not known, an estimate of the decade would be helpful for further study.
6. The county in general should provide incentives for the construction of a variety of types of multi-family dwelling units.



7. Future residential developments should seriously consider self-contained sewer systems that recycle water which would save water and reduce pollution. Presently the average systems use 2,000 pounds of water to dispose of four pounds of waste.

8. A resource file should be developed for reference by the citizens' task force, planning boards, local governments and concerned individuals.

9. Neighborhood housing groups should be set up as an informational and implementation tool for achieving housing goals.

10. The projections should be used as a measure to determine whether or not housing goals are being met.

11. Government housing projects should be managed by a competent and extremely dedicated professional in order to overcome deficiencies in federal housing.

12. A citizens' task force on housing should be organized to investigate specific housing issues and determine future goals. General powers might be as follows or as otherwise recommended by the Flathead County Areawide Planning Organization:

- A. To provide citizen involvement in the preparation of the second phase of the housing element of the general plan.
- B. To conduct and assist in the review of studies of housing needs, problems and programs.
- C. To recommend to the political subdivisions and planning units of Flathead County programs and policies to implement.

13. A housing authority should be established or specialist should be made part of the APO staff. The responsibilities would be:

- A. Research, gather and monitor housing factors affecting Flathead County.
  - 1. local indicators, prices, rent levels, condition, building rates
  - 2. government programs and available money
  - 3. construction material prices and innovations
  - 4. state law changes and national legal innovations
- B. Other duties.
  - 1. issue building permits
  - 2. investigate housing discrimination
  - 3. maintain active file of special housing needs for use by realtors, landlords, interested individuals
  - 4. Serve as local housing consultant and information specialist to planning boards, local government and interested public, service organizations and neighborhoods

C. Special duties.

1. initiate and direct government housing programs
2. coordinate private-public housing programs

14. Further study should be given to:

A. Local housing codes.

B. Impact of housing developments on city services.

C. The effect of local regulations on the price of housing.

D. Special housing needs.

1. students
2. elderly
3. low income
4. disabled
5. large families - overcrowding

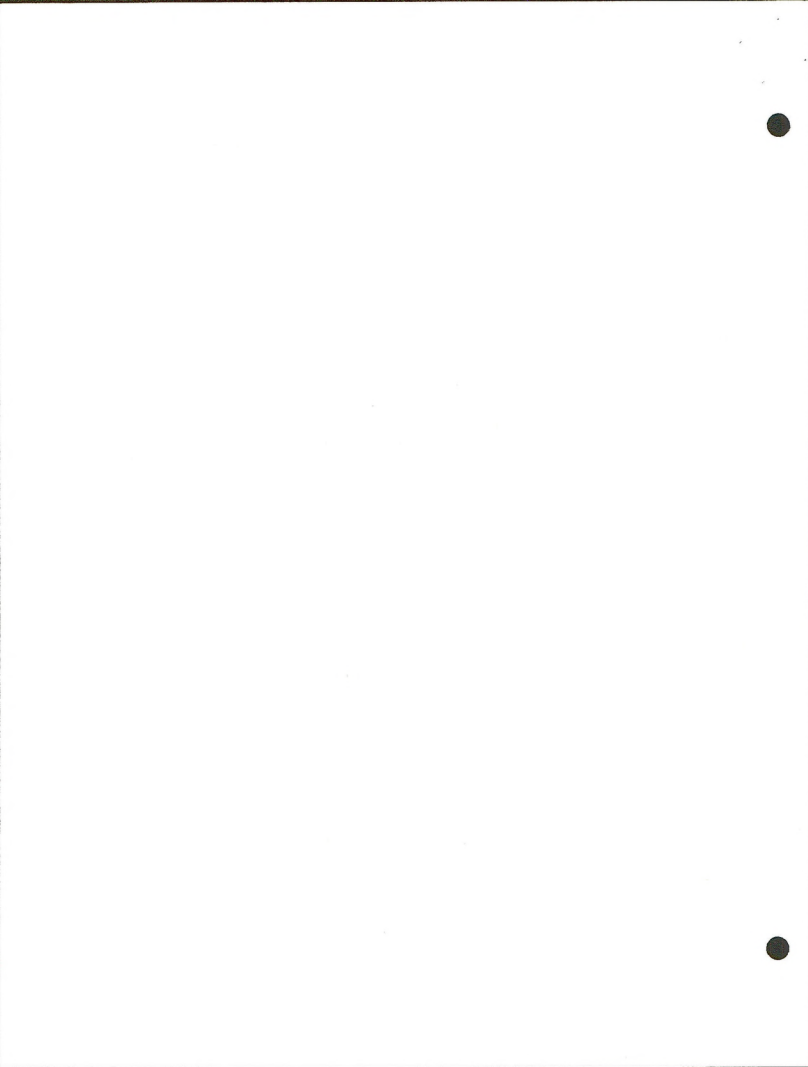
E. Housing discrimination.

F. Alternative ways to provide a steady flow of mortgage funds.

G. Government programs that would best meet housing goals.

H. Income vs. housing expenditure.

POLICY PROPOSALS



## POLICY PROPOSALS (2)

1. A development pattern characterized by a series of well-defined residential neighborhoods around or oriented to a strong community center or "downtown" area.

2. A variety of homes to provide the residents of Columbia Falls a choice in the type of housing accommodations within the proper price range, style and design, quality and location.

3. The development of residential areas having a range of density patterns and housing types related to existing and proposed public facilities and services.

4. The prevention of the spread of blight in structures within the residential areas of Columbia Falls.

5. The protection of those lands planned for residential development from use by incompatible or unrelated developments.

6. The minimization of urban sprawl (development characterized by formless, noncontiguous and unaesthetic land utilization, excessive utility, service and social costs, and the absence of any community identity).

7. The adoption of policies which will encourage and stimulate the conservation and/or rehabilitation of residential areas, and the adoption of provisions which will prevent the intrusion of nonresidential uses into living areas and thus encourage maintaining high neighborhood standards in older residential areas.

8. The development of a more compact city within the confines of existing public utility systems and the resubdivision of existing vacant areas within the urban area where existing designs are not conducive to development.

9. Nondiscrimination in residential areas.

### Standards

#### Desirable Characteristics for Residential Areas

Residential neighborhoods should be characterized by the following features:

1. Development geared to the shelter and psychological requirements of the individual and the family.

2. Definite neighborhood boundaries.

3. Balanced population composition.
4. Variety of housing type and standard qualities.
5. Ready availability of such facilities and services as parks, schools, shopping centers, libraries, and police and fire protections.
6. Separation of pedestrian and vehicular traffic through good site and subdivision design.

#### Application of Density Ranges

A. Higher densities. In the future application of the density ranges proposed in the Comprehensive Plan, higher densities may be projected where there is direct access or close proximity to the following:

1. Community facilities, including major transportation routes and terminals, public institutions, and education and cultural centers.
2. Commercial centers.
3. Industrial and employment centers.
4. Special environmental areas such as view properties, major parks and recreational facilities.

B. Lower densities. Lower densities are indicated where the following factors or conditions exist:

1. Areas having poor soil types, flood areas or rough terrain.
2. Areas in the approach-departure areas of an airport.
3. Limited accessibility to or isolation from urban facilities.

C. In some instances where the above factors are operative, residential development may not be justifiable. In such cases the only logical use may be of an agricultural, recreational or other open space use.

#### Application of Flexible Design Standards

In order to carry out the recommendation of the study and achieve its housing goals, a degree of flexibility is necessary in the application of zoning and subdivision standards. In order to qualify for such flexibility in application of standards, encouragement should be given to the design and complementary uses through creative and imaginative planning. Subject to regulation as a single land use unit, it is recommended that Flathead County Planning Units implement the proposed Planning Unit Development District (PUD) provisions when adopted. An idea as to the general provisions is given in the statement of purpose.

Purpose. The intent and purpose of this district is to encourage a more efficient use of land and of public services by allowing under certain circumstances a more flexible means of land development than is otherwise permissible under lot by lot restrictions generally.

#### Mobile Home Park and Recreational Vehicle Park Criteria

Mobile home and recreational vehicle parks should meet the criterion as set forth in the Flathead County Mobile Home Park and Recreational Vehicle Park Regulations which are supplements to the Flathead County Subdivision Regulations.

#### Community Development

Community development should follow the design standards of the Flathead County Subdivision Regulations and associated zoning standards and criterion.

#### Neighborhood Preservation

Flathead County Planning Units should undertake a program for the modernization and upgrading of public facilities such as schools, parks and streets as a prime effort toward conserving and rehabilitating neighborhoods. It should also encourage the paving of the streets which would reduce the dusty, dingy effect of the town. In developing programs for conservation and rehabilitation, the community should direct efforts toward:

1. Identification of responsible community assistance groups and encouragement of neighborhood participation and cooperation in identifying and acting on neighborhood problems.
2. Identification of the causes of blight.
3. Determination of needs and best uses of land.
4. Identification of measures to effect desirable changes, such as the preparation of exclusive zoning. Neighborhood deterioration most often occurs where spot zoning permits mixed land uses such as allowing a ceramics studio in a single family residential neighborhood.

The community should consider the establishment of housing codes, especially useful in the elimination of substandard structures. A community education program to solicit the necessary understanding is a recommended prerequisite to instigation of this type of community development tool.

### Housing Policy

The community should formally support by appropriate measures and means a housing policy to implement the goals pertaining to the prevention of deteriorating structures; to provide for minimum standards of housing; and to assure that the individual family seeking housing accommodations may move freely within their economic capacity and have a range of sufficient variety in type and quality of housing from which to choose.

Encouragement should be given to the transition of certain older areas adjacent to the city business district to apartment use.



NEIGHBORHOOD ANALYSIS



## HISTORY AND GROWTH

The history of an area is an essential part to a comprehensive housing study. It gives an indication as to the type of community the housing stock serves. A house or an apartment is more than just a dwelling unit, as planners call it. It can represent the attitudes, beliefs and character of the individuals that live there. Conversely, housing can effect these factors of the individual which are the building blocks of a community. The impact of housing, then, is at all levels of social structure.

The history can also point out special long-term deficiencies and needs an area has. Most housing data will go only a decade or so back and may miss some important lessons that history may have taught the people years before. The long-time residents will certainly remember these lessons. It is, therefore, the responsibility of the housing planner to become acquainted with the history, if not the heritage of an area so the recommendations that are made do not conflict with the area's historical precedence.

The growth of an area is part of the history. This part of the history has the most significance for a housing study. Economic growth, population growth, patterns of land use growth, housing stock growth and community service growth are all elements which create a demand for housing. While the history gives an idea as to the type of life style a house should offer, the growth gives an indication as to the number and quality of housing the area needs and can afford.

## POPULATION CHARACTERISTICS

Population characteristics give the housing planner the basic information as to the number of housing units needed. The size of the existing population and the number of dwelling units existing in an area indicates whether the population is being crowded or if too many houses are being built and excessive vacancies exist. More detailed population characteristics, such as age, can give a better idea as to the number of different types of housing certain age groups need. Growth trends in an area provide basic data to project the future housing needs so that overcrowding and high market clearing prices do not occur and cause adverse living conditions and "shortages" by the loss of a long-term, supply-demand equilibrium.

TABLE 1  
POPULATION CHARACTERISTICS

	<u>1940</u>	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1974*</u>
City Jurisdictions	11,484	14,237	15,248	16,527	17,746
Suburban Jurisdictions	NA	NA	NA	NA	15,422
County Jurisdiction*	12,787	17,258	17,717	22,933	10,300
Flathead County	24,271	31,495	32,965	39,460	43,468
	<u>% CHANGE 1960-70</u>		<u>% CHANGE 1970-74</u>		
Flathead County	20%		9%		

ESTIMATES OF FUTURE POPULATION

<u>CONTINUED 60-70 MIGRATION TRENDS</u>	<u>1975</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>
City Jurisdictions	17,784	19,535	21,429	23,524
Suburban Jurisdictions	15,075	16,556	18,164	19,939
County Jurisdiction	10,518	11,554	12,674	13,914
Flathead County	43,377	47,645	52,267	57,377
<u>25% INCREASE IN MIGRATION</u>				
City Jurisdictions	18,082	20,323	22,843	25,676
Suburban Jurisdictions	15,325	17,225	19,361	21,761
County Jurisdictions	10,695	12,020	13,510	15,186
Flathead County	44,102	49,568	55,714	62,623

Source: USDA

\* 1974 Staff Estimates

## SOCIAL AND ECONOMIC CHARACTERISTICS

The data concerning the social and economic conditions are the statistical supplement to the recent history of the area. It provides more objective data concerning the character of the population.

The place of birth data provides information concerning not only the amount of immigration that has taken place, but also sheds light as to the type of people that are coming to a community.

Residency changes give an idea as to shorter term mobility and migration factors. It breaks down migration and mobility (in-county mobility versus out-of-county and state in-migration), giving an idea of the shifts in housing occupancy. These shifts occur for various reasons. They may include a new house, a better house, a house with special amenities such as size or location or a variety of other factors.

Employment data gives an idea as to the stability of the economy which supports the community. The percent of the total unemployed in the county living in a particular area gives a good indication as to the security and the availability of jobs. This percentage is out of the 1970 census data book, which has a representative average unemployment rate for the county even now.

The nonworker-worker ratio indicates the relationship between the labor market and the population the market supports. A worker is a person in the labor force, while a nonworker is anyone not in the labor force. The latter includes primarily housewives, students, retired people, et cetera. The ratio also indicates the financial arrangement of the household. A higher ratio indicates a more traditional husband-housewife housing market, while a lower ratio implicates two things simultaneously. One is the greater chance for a dual household income, and the second is the greater propensity for single household formation by unmarried people, widows or students.

Income information gives an indication of the spread in housing values an area can afford. Median income figures are useful for comparing income levels between cities, as is the percent of families with incomes less than poverty level and more than \$15,000. The latter also indicates special low income housing needs frequently not met by new private production.

TABLE 2  
SOCIAL AND ECONOMIC CHARACTERISTICS - 1970 CENSUS DATA

<u>POPULATION</u> - Place of Birth	<u>CITY</u>	<u>COUNTY</u>
Native Montanan -----	50.5%	53.0%
North Central US -----	26.2%	22.4%
Western US -----	10.4%	12.7%
Other US -----	10.0%	10.0%
Foreign Born -----	2.9%	1.9%

RESIDENCY

Residence in 1965, 1970 Migration and Mobility Indicators

Percent of Total Population 5 Years Old or Older:  
City - 92.4%                      County - 91.0%

<u>Residence</u>	<u>CITY</u>	<u>COUNTY</u>
Same House -----	50%	47%
Different House -----	46%	48%
Not Reported -----	4%	5%

Percentage Breakdown of Those Reporting  
Different House

Different House in Same County -----	57%	52%
Different House in Same State -----	19%	20%
Different House in Different State -----	24%	28%

EMPLOYMENT

	<u>CITY</u>	<u>COUNTY</u>
Percent of Total County Unemployed Civilian Work Force Residing in these areas	34%	66%
Flathead County Nonworker-Worker Ratio		<u>1.84</u>
Flathead County Percent of Employed Persons in Manufacturing Industries		<u>23%</u>

TABLE 3  
SOCIAL AND ECONOMIC CHARACTERISTICS - 1970 CENSUS DATA

<u>POPULATION - Place of Birth</u>	<u>Col. Falls</u>	<u>Whitefish</u>	<u>Kalispell</u>	<u>County</u>
Native Montanan	60.1%	53.3%	49.6%	53.0%
North Central US	23.4%	21.3%	28.7%	22.4%
Western US	9.4%	10.7%	10.9%	12.7%
Other US	5.8%	9.6%	7.5%	10.0%
Foreign Born	1.3%	3.3%	3.3%	1.9%

<u>RESIDENCY</u>				
<u>Residence in 1965, 1970 Migration and Mobility Indicators</u>				
<u>Percent of Total Population 5 Years Old or Older:</u>				
	91.3%	91.4%	92.9%	91.0%
<u>Residence</u>				
Same House	42.6%	54.0%	50.5%	47.0%
Different House	52.8%	41.7%	45.6%	48.0%
Not Reported	4.6%	4.3%	3.9%	5.0%
<u>Percentage Breakdown of Those Reporting Different House</u>				
Different House in Same County	58.0%	53.9%	57.3%	52.0%
Different House in Same State	25.0%	21.9%	18.5%	20.0%
Different House in Different State	17.0%	24.2%	24.2%	28.0%

<u>EMPLOYMENT</u>				
Percent of Total County Unemployed Civilian Work Force Residing in These Areas	2.0%	8.3%	23.7%	66.0%
Nonworker-Worker Ratio	1.93%	1.65%	1.63%	1.84%
Percent of Employed Persons in Manufacturing Industries	50.0%	13.3%	14.1%	23.0%

<u>INCOME</u>				
Less than \$ 1,000	2.2%	2.0%	1.9%	2.48%
\$ 1,000 to \$ 1,999	3.3%	3.4%	3.9%	2.85%
\$ 2,000 to \$ 2,999	4.75%	5.8%	7.8%	5.61%
\$ 3,000 to \$ 3,999	3.5%	5.7%	5.0%	4.80%
\$ 4,000 to \$ 4,999	3.2%	2.2%	6.0%	4.85%
\$ 5,000 to \$ 5,999	2.5%	4.1%	5.2%	6.31%
\$ 6,000 to \$ 6,999	4.75%	7.8%	7.8%	8.41%
\$ 7,000 to \$ 7,999	8.4%	9.4%	7.2%	9.16%
\$ 8,000 to \$ 8,999	16.6%	6.3%	8.2%	9.75%
\$ 9,000 to \$ 9,999	11.4%	15.3%	8.9%	9.38%
\$ 10,000 to \$ 11,999	16.3%	12.8%	13.8%	13.78%
\$ 12,000 to \$ 14,999	15.8%	13.6%	9.9%	10.98%
\$ 15,000 to \$ 24,999	7.3%	10.6%	10.6%	9.21%
\$ 25,000 to \$ 49,999	0	1.0%	3.5%	2.22%
\$ 50,000 or more	0	0	.2%	.21%
<b>MEDIAN INCOME</b>	<b>\$9,069</b>	<b>\$9,214</b>	<b>\$8,633</b>	<b>\$8,567</b>
<u>PERCENT OF FAMILIES WITH INCOME</u>				
Less than poverty level	10.0%	7.1%	10.1%	10.0%
\$15,000 or more	7.3%	11.6%	14.3%	11.6%

## HOUSING INVENTORY

Taking a housing inventory is essential to a housing study. It provides a clear picture of what types of units exist and their condition. This can then be compared to the population and its characteristics to determine what needs are not being met by the existing housing stock.

Determining the number and types of housing units is an arduous task requiring the records of the county appraiser, city building permit records, power hook-up information and field counts.

The Polk City Directory is used for deriving housing supply trend data. When comparing 1974 Polk information to the APO staff survey, we found it to be surprisingly accurate for certain data. The Polk Directory is a 100% door-to-door survey conducted yearly. Such surveys go back to 1900 and have been the basis for a masters thesis dissertation at the University of Montana. If it is accepted in the academic sphere, it should be useful in governmental studies. In general, census data was used as little as possible because of noted errors and irregularities.

The vacancy rates are derived for the purpose of determining the percent of units providing a choice for prospective buyers or renters. If appropriate vacancy rates are not maintained, then the needs of new buyer and renters are either not met or compromised to what is available. Renter vacancy rate, or more specifically apartment vacancy rates, can be manipulated because of the competitive nature of this housing market. Rental units are a more dynamic housing market, while sales are not. It can reflect market rent levels almost immediately, while selling a house to establish sales market levels is a much longer process. Apartment complexes frequently charge a rate which always allows vacancies, as a managerial profit maximizing practice. It is necessary then to put emphasis on the rental rates, rather than on the vacancy rates in the case of apartments and rental units to determine adequate supply levels.



TABLE 4  
HOUSING SUPPLY CHARACTERISTICS

<u>SINGLE FAMILY UNITS</u>	<u>COL. FALLS</u>	<u>WHITEFISH</u>	<u>KALISPELL</u>
Occupied			
Owner	621	845	2,350
Renter	130	158	669
Subtotal	<u>751</u>	<u>1,003</u>	<u>3,019</u>
Vacant Single Family Units	<u>41</u>	<u>42</u>	<u>211</u>
TOTAL SINGLE FAMILY UNITS	<u>792</u>	<u>1,045</u>	<u>3,230</u>
<u>APARTMENT OR MULTI-FAMILY UNITS</u>			
Occupied	90	95	556
Vacant	15	23	32
TOTAL MULTI-FAMILY UNITS	<u>105</u>	<u>118</u>	<u>588</u>
<u>MOBILE HOMES</u>			
Parks			
Occupied lots	44	50	77
Vacant lots	<u>10</u>	<u>11</u>	<u>6</u>
TOTAL SPACES AVAILABLE IN PARKS	54	61	83
Personal Property Not on Park Lot	10	38	9
TOTAL MOBILE HOMES	<u>54</u>	<u>88</u>	<u>86</u>
Single Family Unit Vacancy Rate:	5.18%	4.0%	6.53%
Apartment Vacancy Rate:	14.60%	19.5%	5.44%
Mobile Home Park Lot Vacancy Rate:	18.50%	18.0%	7.23%
<u>NEW RESIDENT AT PRESENT ADDRESS WITHIN THE PAST YEAR</u>			
<u>ADDITIONAL POLK INFORMATION 1974 ONLY</u>			
New Home Owner Rate	12.80%	8.6%	11.13%
New House Renter Rate	46.80%	49.4%	55.01%
New Apartment Renter Rate	73.9%	69.8%	40.99%
New Trailer Park Occupancy Rate	54.8%	62.0%	38.96%

Source: Polk's City Directory

## HOUSING AGE AND CONDITION

This section provides two important sets of data. It shows the age of the houses in the area cross tabulated by condition. This portion of the housing stock generally represents about 80% of the total housing stock in the city and greater than 90% of the conventional construction in the suburban area.

Tabulating the age of the structures gives an indication as to the number of buildings actually built during certain time periods. This is because very few losses in the past 40 years have occurred in relation to the size of the total growing housing stock. For projection purposes, this information gives an idea as to how many units might or should be existing in the future and how old they will be.

The age of a structure directly effects the value and takes its toll on the condition of the structure. Since our housing stock inventory by year built over a period of several decades has not changed significantly, the effect of time generally is to increase the number of deficient and substandard units and reduce the number of standard units. When condition and age are cross tabulated as is done in this report, it shows how the aging process effects the older housing stock. It also shows that the very old housing stock that exists still stands because of superior maintenance and/or renovation. In the more recent time periods where age has not had as great an effect on condition, the age and condition tabulation gives an indication as to the quality of construction and how it effects condition. If an abnormal amount of deficient homes exist where a majority of the homes should be standard in that age period, then it means that many homes were constructed in such a way that their life span as a standard unit was very short. It also usually means their life span in general will be shorter. In some areas, deficient and substandard housing units are limited seasonal use, and the concentration levels of these units indicate the demand of certain recreational areas. However, the housing planner should treat these with the same attention he gives regular substandard and deficient homes. If these homes are standing and a housing crisis occurs, they will most likely be occupied year round.

TABLE 5  
 DWELLING UNITS BY TYPE AND CONDITION  
 BASED ON FLATHEAD COUNTY  
 1974 APPRAISAL RECORDS

	DETACHED SINGLE FAMILY				MULTI-FAMILY				TOTAL	MOBILE HOMES	SEASONAL DWELLINGS	TOTAL
	SUBSTANDARD	DEFICIENT	STANDARD	SUBTOTAL	SUBSTANDARD	DEFICIENT	STANDARD	SUBTOTAL				
City of Columbia Falls	55	315	422	792	-0-	23	82	105	897	54	4	955
Columbia Falls Planning Area	77	232	182	491	-0-	-0-	-0-	-0-	491	178	25	694
City of Kallispell	183	1,146	1,901	3,230	87	157	339	583	3,813	92	-0-	3,905
Kallispell Planning Area	153	692	1,028	1,873	-0-	15	-0-	15	1,888	812	40	2,840
City of Whitefish	85	560	400	1,045	22	58	38	118	1,163	88	13	1,264
Whitefish Planning Area	97	355	331	783	-0-	4	13	17	800	140	134	1,074
Flathead Co. Planning Area	433	1,626	1,184	3,243	43	-0-	65	108	3,351	1,053	285	4,689
Flathead Co.	1,083	4,926	5,448	11,457	152	257	537	946	12,403	2,417	501	15,321

Source: Flathead Areawide Planning Organization Staff Compiled From Flathead County Appraiser's Records, 1974.

TABLE 6  
UNITS IN STRUCTURE  
(CONVENTIONAL CONSTRUCTION)  
CITY OF COLUMBIA FALLS

792 Single Family Units  
6 Duplex  
1 Triplex  
8 Fourplex  
2 6 Unit Structures  
3 12 Unit Complex  
1 18 Unit Complex

UNITS IN STRUCTURE  
(CONVENTIONAL CONSTRUCTION)  
CITY OF WHITEFISH

1,045	Single Family Units	1	5 Unit Structure
3	Bachelor Apartments	1	6 Unit Structure
6	Duplex	1	7 Unit Structure
2	Triplex	2	10 Unit Complex
4	Fourplex	1	19 Unit Complex
		1	24 Unit Complex

UNITS IN STRUCTURE  
(CONVENTIONAL CONSTRUCTION)  
CITY OF KALISPELL

3,230	Single Family Units	2	10 Unit Complexes
32	Central Business District Apartments	2	12 Unit Complexes
45	Duplex	1	16 Unit Complex
16	Triplex	2	17 Unit Complexes
15	Fourplex	1	21 Unit Complex
7	5 Unit Structures	1	40 Unit Complex
3	6 Unit Structures	1	52 Unit Complex
3	8 Unit Structures	1	60 Unit Complex
1	9 Unit Structure		

Source: Polk's City Directory 1974, APO Staff

TABLE 7  
ESTIMATED NUMBER OF SINGLE FAMILY HOUSING UNITS (3)  
BY CONDITION AND YEAR BUILT

CITY AREA

CONDITION	BEFORE 1940	1940 TO 1949	1950 TO 1959	1960 TO 1969	1970 TO 1974	TOTALS
Standard	629	393	743	593	365	2,723
Deficient	957	397	144	291	232	2,021
Substandard	145	81	45	41	11	323
TOTALS	1,731	871	932	925	608	5,067

SUBURBAN AREA

CONDITION	BEFORE 1940	1940 TO 1949	1950 TO 1959	1960 TO 1969	1970 TO 1974	TOTALS
Standard	36	268	520	460	257	1,541
Deficient	95	248	188	375	373	1,279
Substandard	25	99	179	179	28	501
TOTALS	156	615	887	1,005	658	3,321

RURAL AREA

CONDITION	BEFORE 1940	1940 TO 1949	1950 TO 1959	1960 TO 1969	1970 TO 1974	TOTALS
Standard	200	176	191	378	237	1,182
Deficient	292	275	160	574	326	1,627
Substandard	42	82	70	194	46	434
TOTALS	534	533	421	1,142	607	3,243

TABLE 8  
ESTIMATED NUMBER OF SINGLE FAMILY HOUSING UNITS  
BY CONDITION AND YEAR BUILT  
1974

CITY OF COLUMBIA FALLS

CONDITION	BEFORE 1940	1940 TO 1949	1950 TO 1959	1960 TO 1969	1970 TO 1974	TOTALS
Standard	14	26	160	165	57	422
Deficient	20	122	54	58	61	315
Substandard	17	14	14	10	0	55
TOTALS	51	162	228	233	118	792

CITY OF WHITEFISH

CONDITION	BEFORE 1940	1940 TO 1949	1950 TO 1959	1960 TO 1969	1970 TO 1974	TOTALS
Standard	147	35	93	69	56	400
Deficient	323	96	42	54	45	560
Substandard	42	21	11	11	0	85
TOTALS	512	152	146	134	101	1,045

CITY OF KALISPELL

CONDITION	BEFORE 1940	1940 TO 1949	1950 TO 1959	1960 TO 1969	1970 TO 1974	TOTALS
Standard	468	332	490	359	252	1,901
Deficient	614	179	48	179	126	1,146
Substandard	86	46	20	20	11	183
TOTALS	1,168	557	558	558	389	3,230

TABLE 9  
 FLATHEAD COUNTY RURAL AREAS (3)  
 ESTIMATED NUMBER OF SINGLE FAMILY DWELLING UNITS BY CONDITION

	<u>STANDARD</u>	<u>DEFICIENT</u>	<u>SUBSTANDARD</u>	<u>TOTAL</u>
West Flathead County	62	174	84	320
West Valley	119	133	10	262
North West County	17	42	14	73
North East County	82	253	95	430
East Valley	282	280	21	583
East Mountain Valley	107	142	31	280
Swan	<u>75</u>	<u>80</u>	<u>9</u>	<u>164</u>
TOTALS	<u>744</u>	<u>1,104</u>	<u>264</u>	<u>2,112</u>

ESTIMATED NUMBER OF SINGLE FAMILY DWELLING UNITS BY YEAR BUILT

	BEFORE 1940	1940 TO 1949	1950 TO 1959	1960 TO 1969	1970 TO 1974	TOTALS
West Flathead County	59	37	39	136	49	320
West Valley	54	16	35	104	53	262
North West County	8	3	18	37	7	73
North East County	62	87	33	186	62	430
East Valley	121	85	72	170	135	583
East Mountain Valley	34	19	32	124	71	280
Swan	<u>22</u>	<u>19</u>	<u>15</u>	<u>46</u>	<u>62</u>	<u>164</u>
TOTALS	<u>360</u>	<u>266</u>	<u>244</u>	<u>803</u>	<u>439</u>	<u>2,112</u>

TABLE 10  
RURAL AREAS - 1974 (3)

ESTIMATED NUMBER OF SINGLE FAMILY HOUSING UNITS  
BY CONDITION AND YEAR BUILT

CONDITION	BEFORE 1940	1940 TO 1949	1950 TO 1959	1960 TO 1969	1970 TO 1974	TOTALS
Standard	132	86	113	237	176	744
Deficient	204	144	96	427	233	1,104
Substandard	24	36	35	139	39	264
TOTALS	360	266	244	803	439	2,112

SINGLE FAMILY HOUSING UNIT CONDITION,  
BROKEN DOWN IN PERCENTAGES BY YEAR BUILT

CONDITION	BEFORE 1940	1940 TO 1949	1950 TO 1959	1960 TO 1969	1970 TO 1974	TOTALS
Standard	18	11	15	32	24	100
Deficient	18	13	9	39	21	100
Substandard	9	14	13	53	11	100
TOTALS	17	12	12	38	21	100

YEAR SINGLE FAMILY HOUSING UNIT WAS BUILT  
BROKEN DOWN IN PERCENTAGES BY CONDITION

CONDITION	BEFORE 1940	1940 TO 1949	1950 TO 1959	1960 TO 1969	1970 TO 1974	TOTALS
Standard	37	32	46	30	40	35
Deficient	57	54	39.5	53	53	52
Substandard	6	14	14.5	17	7	13
TOTALS	100	100	100	100	100	100



## VALUE AND RENT OF DWELLING UNIT

This section has two parts. The first part compares official county appraisal values of suburban and city areas by condition and year built. The second part uses census data and shows how units are appreciating.

The first part is derived from a sample which varies depending on certain categories. By year built, the more recent decades have a sample of ground 80%. But the earlier years have samples of less than 50%. The condition samples were 100%. In the rural areas, samples were considered less. The appraisal cards are not always filled out completely, hence, the varied samples by age. However, these samples should be accurate indicators for city areas. Frequently, data for several houses in a certain block was similar. For instance, all the houses were built in the 1950's. But sometimes a few scattered houses in such a group did not have age data. More than likely the house was built during the 1950's if all the other houses around it were. Hence, the samples are concentrated, which gives a clear idea as to the age of various areas and subdivisions. When this data is adjusted to represent all the housing units, it should reflect the age of the building and appropriate values accordingly. In the rural areas, a certain amount of subjective analysis was required to complete the data and insure its accuracy.

The second part is census data, which is not very desirable to use in general. However, here it does give survey information that can be compared to other cities and gives trend data. A survey was not possible at the local level for this study. The specific census figures are not comparable to local data and should not be relied on. Only the general conclusions that can be drawn from the data should be used.

## PROJECTIONS

The projections are the culmination of much of the data and knowledge contained within this report. However, the projections can not reflect all of the information and, therefore, should not be used independently of the rest of the report. The figures in the projections are used as a basis for governmental programs and as demand indicators for private investors.

Growth, replacement, vacancy and reduction of substandard stock factors are the four parts to a comprehensive projection of housing needs. 1990 is the year where various housing goals and requirements are hoped to be reached in all the projections.

### Growth Factor (4)

The projections are built upon the growth factor which is determined from a population projection. The number of dwelling units needed to house the projected increase in population is derived by simply dividing the increase in population by a dwelling unit density. For the year 1990, the dwelling unit density for Flathead County is expected to be 2.8 persons. For the 15 year period between now and 1990, those areas having a present density greater than 2.8 are adjusted in progression to reflect this projected density. The difference between the densities is divided by three approximately and then used in progression for the three projected years of 1980, 1985 and 1990. For example, Columbia Falls is as follows: 1980 - 3.0, 1985 - 2.9, 1990 - 2.8.

### 25 Percent Increase in Migration Population Projections

The projections are based on a 1960-70 growth trend. The other population projection, a 25% increase in migration, increases the demand for housing. The following percent increases should be applied to adjust the figures in the projection tables to reflect the increased demand. 1980 - 4.0%, 1985 - 6.6%, 1990 - 9.15%, 1974-90 total construction - 32%.

### Tenure Requirements

The new structures built to accommodate the growth should ideally be able to accommodate all the tenure demand requirements. The tenure requirements are related directly to the income distribution data, however, the emphasis at this point is the housing type mix of the total housing stock.

The method for establishing a projected housing mix was based upon a 1972 Department of Agriculture, Division of Forestry, projection which used a massive matrix of age, ownership, head of household, occupancy, et cetera, computed in a formula established upon housing theories and data. Their projections were made to 2020 and are the basis for this report's tenure demand projections.(5)

The demand indicated by the study though, has been adjusted to reflect local circumstances. Flathead County has a considerably high percentage of single family units and a high percentage of mobile homes compared to regional data. It would be unrealistic to ignore the local preferences and the supply demand situations which have caused these housing mix formations.

The report projects a substantial increase in the demand for multi-family units. Multi-family units can take up some of the demand for lower income housing and satisfy demand requirements for more spacious and private dwelling units at a lower cost because of the flexible design characteristics of multi-family units. However, in light of local characteristics, existing mobile home percentages were not decreased and more often increased because of the difficulty of providing conventional construction dwelling units at that price level without subsidy. Single family construction was decreased because of the cost, recent poor construction characteristics, inefficiencies and inflexibilities associated with this type of dwelling unit. It was unrealistic to reduce the percentage of single family construction so that no construction or loss in the inventory of single family housing units would occur. Single family housing unit demand will remain and is good. However, the percentage was reduced enough to emphasize the fact that these units are not satisfying the social demand of the residents of Flathead County overwhelmingly and that mortgage money, construction and entrepreneurial skills should be put to use providing a variety of multi-family units with different price levels and life style characteristics.

The reason for emphasizing this point is because most of the building and demand for conventional construction is for the larger more expensive single family housing units. This is where most investors have the best return. However, this is not indicative of the total demand, nor of the social demand. An interesting analogy of the auto industry can be made. Presently, total car sales are down sometimes as much as 50% (note housing starts are down as much as 50% now), however, Detroit can not built enough large, expensive cars such as cadillac and Continentals. This parallels the housing industry. However, the construction of relatively expensive single family housing units represents probably less than 15% of the "appropriate" demand based upon income distribution levels.

What happens to the other 85% of the demand. The massive increase in the mobile home sales is indicative of the unmet demand. People generally want to own their home in Flathead County. The number of renters generally is not increasing in the county of those people living in conventional single family units. The impact then of the preference to own a home and the given high cost of housing and a majority of income levels not in adequate reach of single family housing is that people are spending more than 25% of their income on housing or buying the only alternative, a mobile home.

By providing more multi-family units, of ownership as well as renter type, the housing goal of a family spending no more than 25% of their income can be met. There is a general consensus also that the mobile home is not the long range solution. The mobile home serves an outstanding service and factory built multi-family units are soon to become a trend. It is not the intension of this report to degrade or discredit the mobile home industry. The assumption that is worked from in this report is that the demand for mobile homes will always exist because of its life style and cost characteristics. However, it should not service a demand consisting of unmet needs that alternative housing types could and should satisfy. The social and opportunity costs afforded by housing something less than 85% of the new demand in first, houses that are too expensive for the family budget, or second, in mobile homes that do not satisfy the needs or desires of a family, are generally detrimental to the community as a whole. These costs must be considered in this report. Production areas and profitability are poor indicators of social needs and frequently do not satisfy them.

#### Income Distribution

The data used in this report is 1970 census data. The figures are five years old and inflation has made them unrealistic, however, the data is still valuable for indicating the distribution of incomes. In general, the incomes of people have not increased as fast as the cost of housing in the past five years, so the projections to 1990 are optimistic. Because of inflation, the figures and percentages must be used in light of a constant 1970 dollar value and the cost of housing in 1970. So in effect, the 1990 projection is based on an all-other-things-held-constant assumption. It is impossible to estimate the rate of inflation and its effects on housing costs or the income levels in 1990. It serves a better function to place the demand schedule in terms of what we know rather than what we do not know. As other factors change, the figures can be adjusted accordingly to reflect the change.

As was stated before, the tenure requirements are related directly to the income distribution data. An example that best reflects this is as follows. Suppose the figure for the 1990 demand in a city area for the income level \$0 - \$3,000 was 50 dwelling units. The projection of tenure production requirements should have a total increase in the number of mobile home units from 1974 to 1990 of around 50 units. The assumption here is that conventional construction would not be able to meet the demand at this level, and that private construction should try to meet most of the housing demand if possible. Because of the greater emphasis placed on multi-family units and also because of their flexibility, the 1990 demand for the income levels from \$3,000 up to the level \$10,000 to \$15,000 will more than likely be met by multi-family units. The itemized breakdown of income demand indicates perhaps the type of multi-family, renter, owner, and the various amenities the units might be able to afford. The last two income levels generally consume the new production of single family units. All the highest income level could afford a single family unit and the remainder of single family units could be afforded by the upper portion of the second highest income level. (6)

TABLE 11  
SOCIAL AND ECONOMIC CHARACTERISTICS

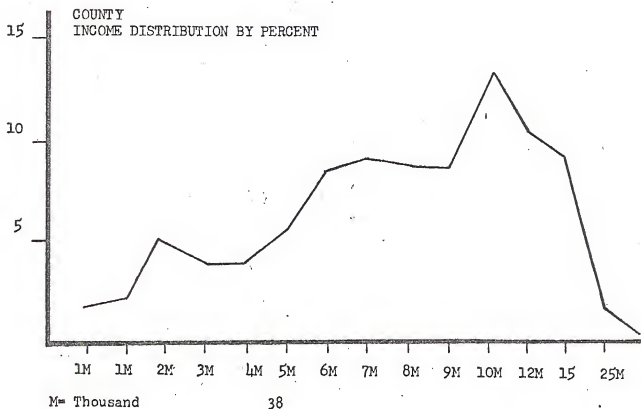
INCOME

Income of Families and Unrelated Individuals

Less than \$ 1,000	2.48%
\$ 1,000 to \$ 1,999	2.85%
\$ 2,000 to \$ 2,999	5.61%
\$ 3,000 to \$ 3,999	4.80%
\$ 4,000 to \$ 4,999	4.85%
\$ 5,000 to \$ 5,999	6.31%
\$ 6,000 to \$ 6,999	8.41%
\$ 7,000 to \$ 7,999	9.16%
\$ 8,000 to \$ 8,999	9.75%
\$ 9,000 to \$ 9,999	9.38%
\$10,000 to \$11,999	13.78%
\$12,000 to \$14,999	10.98%
\$15,000 to \$24,999	9.21%
\$25,000 to \$49,999	2.22%
\$50,000 or more	0.21%

MEDIAN INCOME -----\$8,567  
MEAN INCOME -----\$9,225

PERCENT OF FAMILIES WITH INCOME  
Less than poverty level --- 10.0%  
\$15,000 or more ----- 11.6%



The above sort of rational was used to allocate housing tenure and income level requirements accordingly to make them realistic and comparable in light of present housing costs.

It was felt that this distribution data would group the special needs of student housing, housing for the elderly and the poor together. Even though it does not separate the demand of the various groups, it still provides basic data for either government or private enterprise to begin an evaluation of the need of housing for various groups at a certain price level at its profitability. The cost is what is crucial in this report. Cost dictates the type of structure, however, the special amenities for different life styles is a function of a demand that could not be assessed in this report. The investor or the government agency must coordinate their specific investment strategy or program with the type of structure and the need they want to meet. Whatever the case, it seems the best use of resources for these two groups to determine the demand for amenities of the different life styles at the time it becomes either profitable to build or at the time a program is initiated. This report tries only to assess the number of units and types in demand at approximate income levels.

#### Replacement Factor

This section is based upon regional and local data. Demolition data is not available for Flathead County, however, this study indicates that the area has not lost many of its homes, especially those built in the last 30 years. Therefore, a regional replacement rate was used and averaged for the time increments used in the projections.

The first section is derived from a formula taken from the USDA report mentioned earlier. The category "All Units" includes mobile homes, while the category "Conventional Units" does not. In most areas, the average age under the category "All Units" may be lower than under the conventional category. This is because the increase of mobile homes is significant enough to place pressure on the rest of the housing stock. Presently the national average life of a mobile home is 15 years. The average life of a conventional unit is in the 50 and 60 year range. But when conventional construction falls behind mobile home construction and the area is growing relatively fast because of these differences in the lifespan of types of units, the total average housing stock will not last as long. This is one of the adverse impacts of not providing adequate conventional construction and forcing the demand into the mobile home market.

The replacement figures are applied to the anticipated housing stock for the various time increments which simply derive the number of replacement units needed to meet the requirements of an adequate housing stock in good condition.

It might be best to say here, that the replacement rate should be indicative of real losses due to fire demolition for highways and extreme dilapidation. Programs or builders should not deliberately demolish the existing housing stock to meet the requirement of the projections in this report, especially if the units are sound, regardless of age. In light of the present overall poorer new construction of housing indicated in this report, it should be a prime objective to maintain the existing housing stock. The problem with past governmental housing programs is that they require so many units destroyed before so many new units could be built. The effect of this essentially was to relocate the slum areas. Providing new units of good quality and maintaining the older units or renovating deficient and substandard units can often be the most efficient use of resources available and still provide the best overall housing condition.

#### Vacancy Factor

This is included in the projection to ensure adequate production of units for prospective buyers and renters. If an inadequate vacancy rate is maintained, the needs of various groups and life styles are not met or are compromised to what is available. The vacancy factor in this projection is again based upon the USDA projected demand rates. A 1974 figure is included in the projection for this factor to indicate the present deficiency in fulfilling the present vacancy demand. This immediate deficiency could be added with the 1980 projected number of units needed or distributed over the 15 year time period to meet the vacancy rate demand in 1990.

#### Reduction of Substandard Stock Factor

This factor might have been considered under replacement rates. However, that category does not address the function described in this category completely. The replacement rate was assumed to replace only enough units so that it maintained the same percentage of substandard units as the housing stock grew. Special contracting also would be required to demolish houses for the purpose of replacing them with standard units, generally on or near the same piece of real estate.

However, here too, it might be best to renovate the existing structure to reduce the number of substandard units rather than demolish it and replace it with a generally poorer constructed house and at a much higher price. This projection was based upon a housing goal of reducing the projected substandard stock by 50% approximately by the year 1990. The 1974 category was included to show a present demand perhaps for renovating. In light of the present cost of housing and construction qualities, construction money and skills might presently best serve the general housing stock by renovating these structures. This is not to suggest all substandard structures should be renovated, but for some this would be a more efficient use of time and resources. As building costs stabilize and quality of construction overall improves, then the remaining substandard stock that can not or should not be renovated can be replaced with a new standard unit.

The jurisdiction reduction requirements are not merely totals of the city and suburban categories in this section as it was in the other sections. The requirement was derived independently and averaging makes the totals different between a separate jurisdiction calculation and the mere addition of city and suburban requirements. This difference in effect gives a range within which the 50% reduction goal can be met.

The real thrust of this section is to improve the general housing stock. If substandard units are not replaced then when housing shortages occur some citizens of a community will be forced into these units, augmenting the problems of economic and social crisis frequently accompanying or causing the housing shortage.



## HISTORY AND GROWTH

The history of an area is an essential part to a comprehensive housing study. It gives an indication as to the type of community a housing stock serves. The history of an area can also point out long term deficiencies or particular assets that a housing stock and growth pattern may have.

The growth of an area is part of the history. Economic and population patterns of land use housing stock and community service growth are all elements which create a demand for housing. While the history gives an idea as to the type of life style a house should offer, the growth gives an indication as to the number, quality and location of housing needs afforded.

### Columbia Falls

The history of Columbia Falls is the history of a boom town blessed with many industrial opportunities to support growth, and a town historically overly zealous to capitalize upon them. Land speculation in the 1890's with the arrival of the railroad lost the city the chance to have a long term economic relationship with the railroad. Land and housing speculation in the late 1940's and early 1950's with the construction of the Hungry Horse Dam and Anaconda Aluminum Plant impeded the housing growth of the city. The consequences were that Columbia Falls did not establish the commercial and secondary industries it could have, which would have further enhanced the tax base advantage for community facilities and improvements. Hence, Columbia Falls has been behind the other cities in the Flathead developing its sewer systems, streets and business district.

### Whitefish

The town of Whitefish boomed around the coming of the railroad. The housing development history teaches several lessons. First, the town was built in a dense forest area and rather than clearing for just the streets and houses, the entire area was leveled for development. Years later at the expense of the local people, the trees were replaced to enhance the beauty of the city and provide climatic shelter. Secondly, it was assumed that the growth with the coming of the railroad would only be temporary and, therefore, the businesses and probably many of the homes that were built were built to service a short economic life span. The assumption was false, and many homes in a few years were classified deficient. However, compared to many of the present construction standards, these old homes are very sound. The third lesson comes out of this fact. While changing building codes classified existing homes as deficient, it did not necessarily mean that the quality of a new home was any better or more habitable and sound. Recent years of construction have shown that perhaps some building codes make cheaper quality housing more expensive to build, maintain and to pay taxes on, while not providing a comparable increase in the quality of the living quarters.

## Kalispell

Kalispell's central location in the valley in relation to the agricultural and timber industries and its emphasis on total community facility development encouraged growth without speculation. The city was able to attract people who worked in various places around the valley and many people who wanted the amenities associated with a higher standard of community living. Kalispell was never a boom town but its growth has been steady and healthy, which has given it time to provide housing and plan for expansion.

## Flathead County Rural Communities

Bigfork settled quickly in the early 1900's because of its beauty, but did not have the location or industrial assets to provide for any sizable growth.

Somers area grew around a lumber company and was quite an impressive town. However, the town did not have any other industries to support its growth, so when the lumber company moved out the town's growth pattern substantially changed.

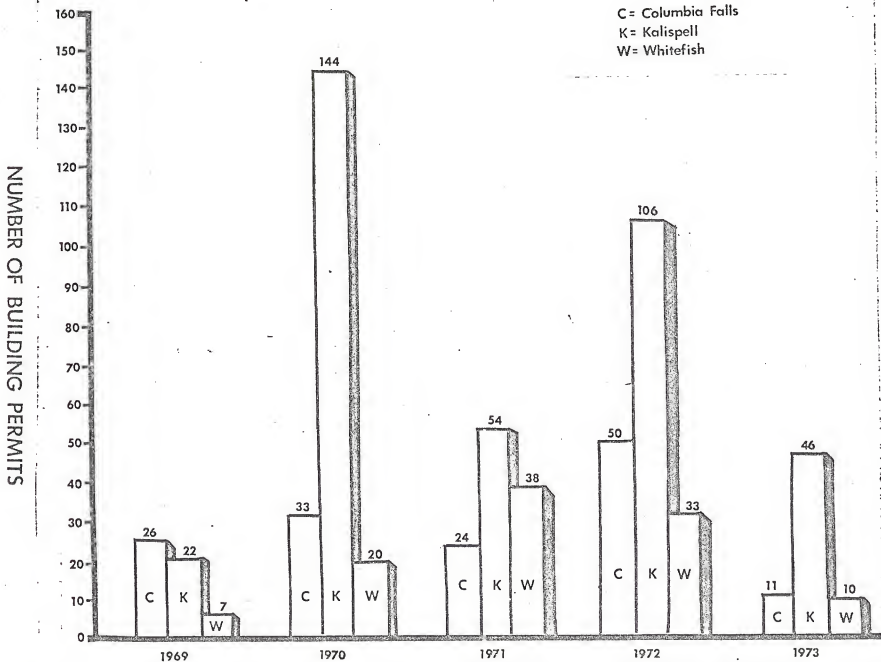
Lakeside's past history is not readily available, but it seems to be a pleasant seasonal area for some and also a year-round residential area for others. As the beauty of the lake became more accentuated with the growth of the valley floor, the area grew steadily, it seems, as a function to capture a part of its aesthetic beauty.

Hungry Horse, Martin City and Coram areas were at their prime during the construction of the Hungry Horse Dam and the Anaconda Aluminum Plant. These towns never developed any industries or commercial areas for sustaining the population after the construction work was completed. Hungry Horse seems to have maintained its community the best, while the other areas have declined and deteriorated considerably.

## Flathead County Rural Areas

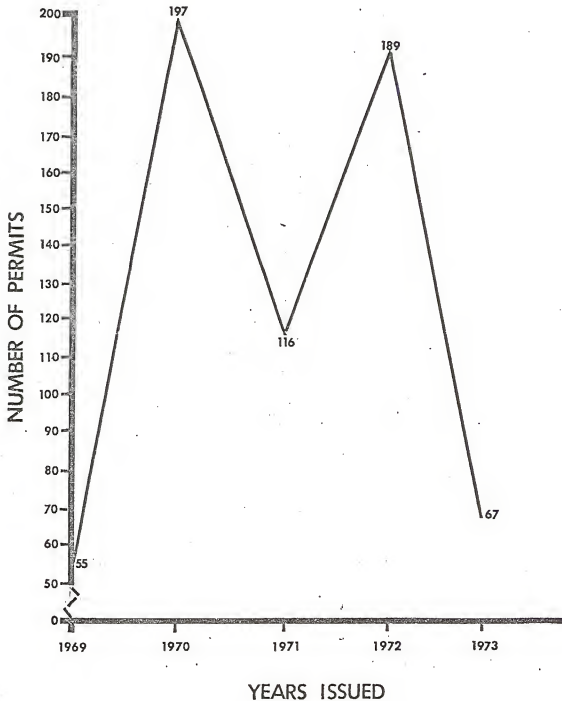
The development of these areas were primarily at first for the production of crops. However, the area became popular as a residential area as transportation improved. Development of different areas of the rural valley has been random at best. As developers or individual home builders found land for sale which they could make money on or liked, the areas developed accordingly to the economic or environmental amenities.

TABLE 12  
 AUTHORIZED DWELLING UNITS 1969-1973  
 RESIDENTIAL BUILDING PERMITS ISSUED



NUMBER OF BUILDING PERMITS

TABLE 13  
TOTAL MUNICIPAL BUILDING PERMITS ISSUED FOR  
RESIDENTIAL USES IN FLATHEAD COUNTY  
1969-1973

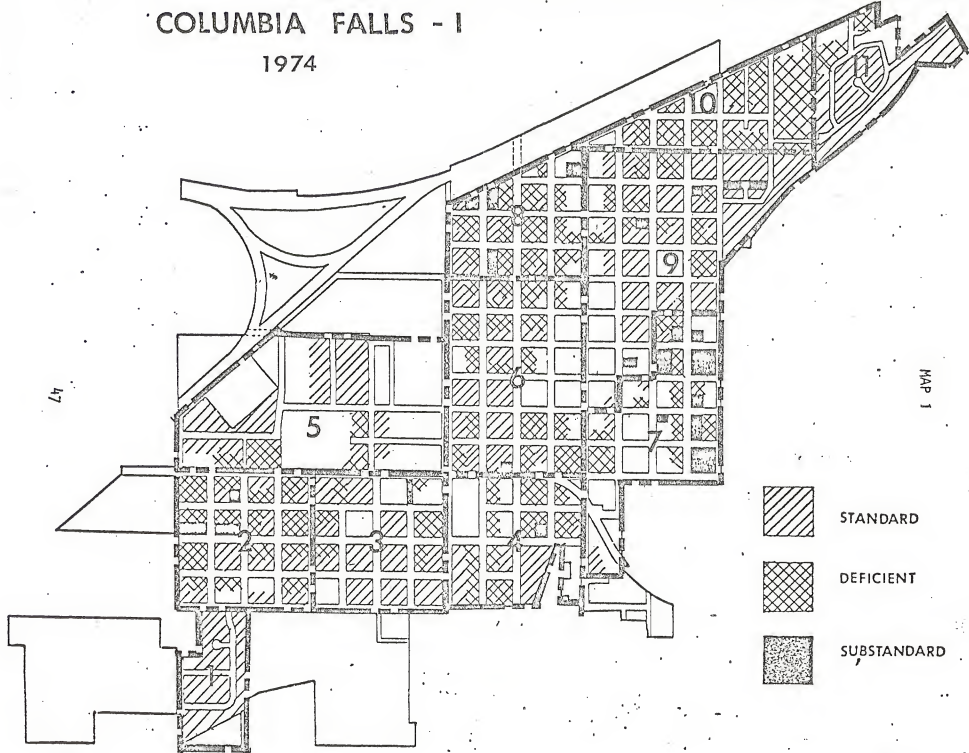


## NEIGHBORHOOD HOUSING CONDITION MAPS

These maps are included with specified neighborhoods and comments to identify local areas of concern. It is the responsibility of the local people and their officials to identify and verify specific needs and to implement any recommendations or programs which satisfies the problems in the areas of concern. The neighborhood boundaries are based on condition of structures, major thoroughfares and natural boundaries. It is hoped that the maps will be a useful tool for the local areas and that the comments serve only as a supplement to the opinions of the local residents.

# COLUMBIA FALLS - I

1974



MAP 1

47

## NEIGHBORHOOD COMMENTS

### Area 1

This is a newly subdivided area with fine homes and paved streets. Hopefull, future subdivisions that annex to the city will try to provide the same quality in design and standard of housing this area has. This generally results in pride in ownership and better maintenance.

### Area 2

This area is experiencing blight because a substantial number of deficient and substandard homes. Neighborhood groups should be providing incentives to protect this area and improve its housing stock.

### Area 3

This area is in good condition. Only minimal blight is occurring. Maintaining the existing stock will be adequate to insure the quality present now.

### Area 4

This area has a mixed housing stock. It has some noncompatible land uses such as the highway cutting its corner and businesses spotting its edges. This area requires the attention of the people within it for any specific considerations.

### Area 5

This area is a growing area with vacant land and the structures are in good shape. Some older structures closer to the highway are deficient, but the neighborhood has ideal possibilities for growth because of its location near the school and the business neighborhood.

### Area 6

This area is one side of the commercial business neighborhood. It has a mixture of conditions. It needs attention immediately to prevent it from downtown blight. It has advantages of being next to both the schools and the commercial district. It could sport a nice mixture of ages and life styles desirous of such a location.

#### Area 7

This area has the most problems in terms of housing. It is in the flood plain and comments from people indicate that the 1964 flood discouraged investment in this area. It has the vacant land for development, however, this area has a better land use potential as a park area. Hopefully, housing in other areas of the city can be available so that people can move out if they desire to. As they move, this area should be converted from a residential area to a more compatible flood plain use.

#### Area 8

This area is experiencing blight. Steps should be taken by concerned individuals to provide incentives to improve the condition of this neighborhood. It is small and near the city center which are both in its favor.

#### Area 9

Area nine is the other side of the commercial neighborhood. It has a better housing condition in general than the west side, but is located further from the schools and does not have this in its favor. There are a few spotted areas that need attention, but with adequate maintenance of existing structures this neighborhood is in good shape.

#### Area 10

This area is predominantly deficient. It has both the bad influences of being on the edge of town and near the railroad tracks. This area needs attention to prevent blight.

#### Area 11

This is a newer subdivision. The condition map indicates that it is in good shape, but some houses are cramped and it looks a bit cluttered even though it is barely 50% developed. This could turn into a problem area soon, if the 1970 type of deficient homes are built in the same cramped way some of the existing structures are. Then there would be an example of a deficient-as-built subdivision.



NUMBER OF EXISTING HOUSING UNITS

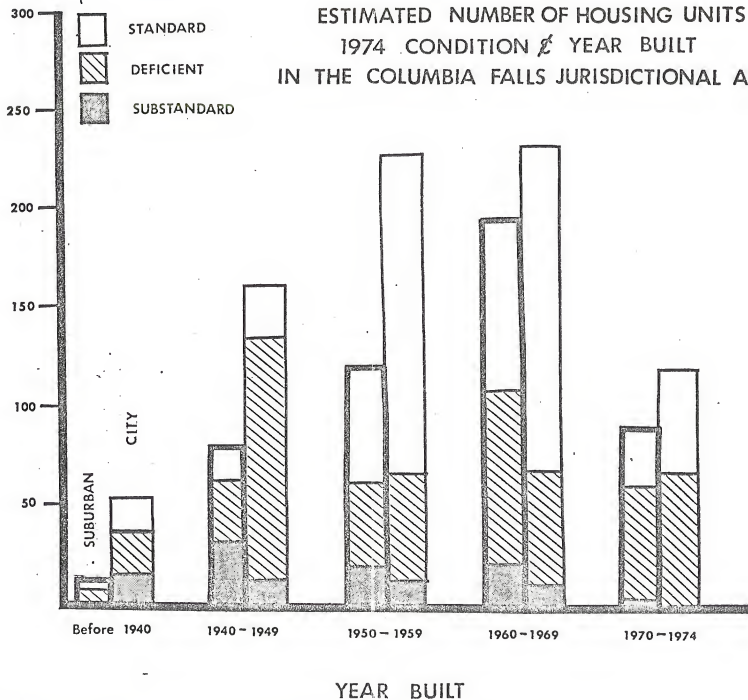


TABLE 15  
COLUMBIA FALLS  
JURISDICTIONAL AREA

EXISTING NUMBER OF SINGLE FAMILY HOUSING UNITS  
BY THE YEAR BUILT

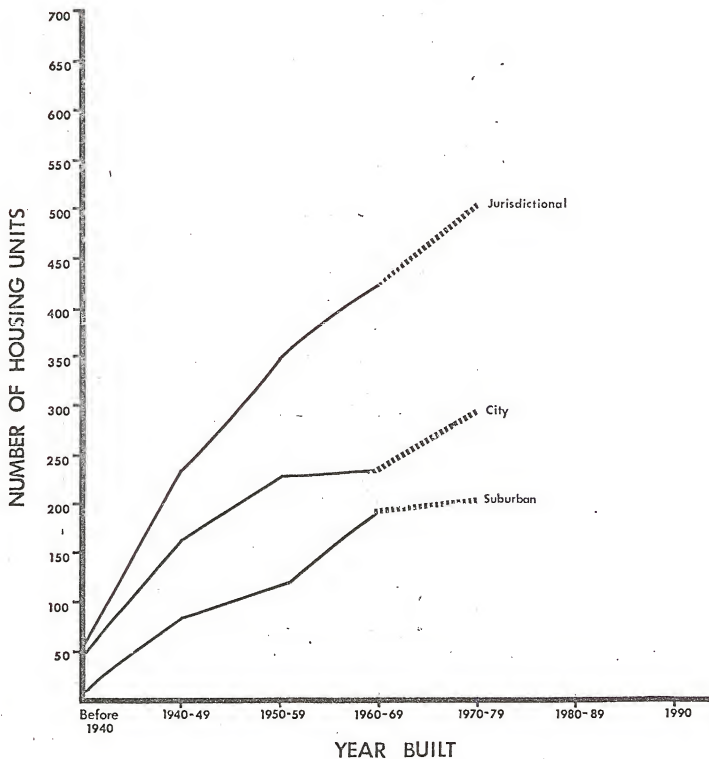
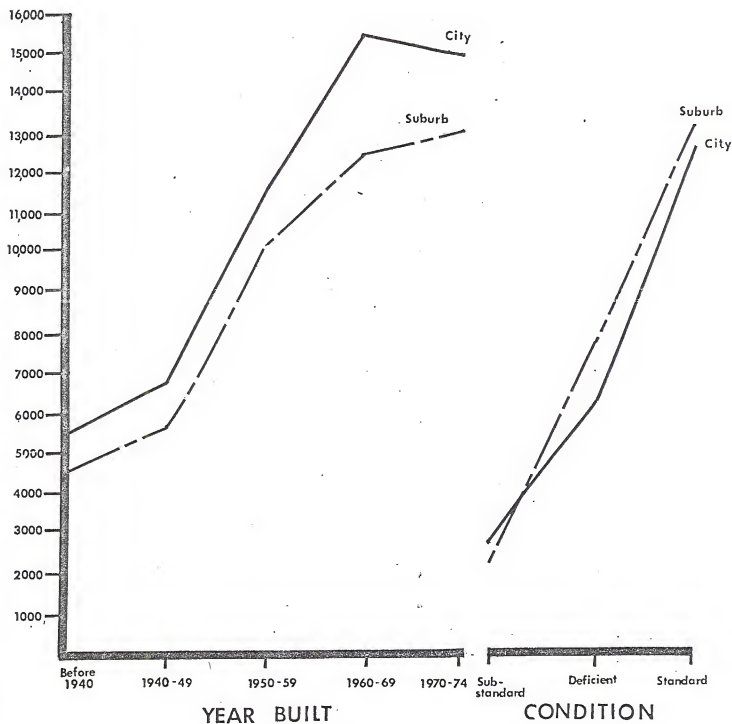


TABLE 16

# COLUMBIA FALLS AVERAGE BUILDING VALUES BY YEAR BUILT AND CONDITION

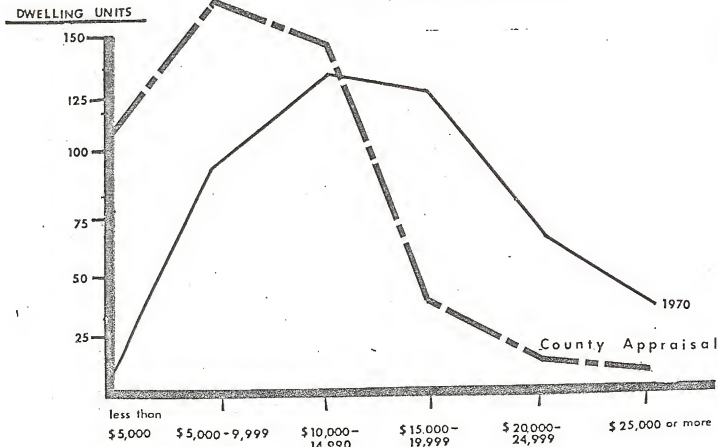
VALUE IN DOLLARS



COLUMBIA FALLS

VALUE OF OWNER OCCUPIED DWELLING UNITS

TABLE 17



COLUMBIA FALLS

MONTHLY CONTRACT RENT LEVELS

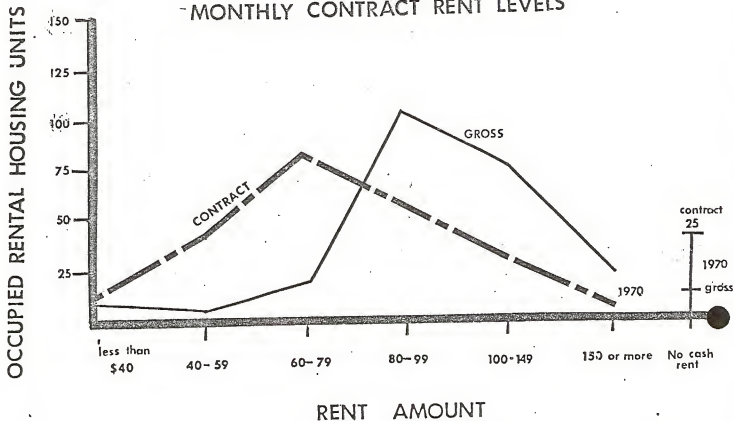


TABLE 18  
TOTAL PRODUCTION REQUIREMENTS  
(DWELLING UNITS)

CITY OF COLUMBIA FALLS

	<u>1974</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>TOTAL</u>
Growth		133	112	128	373
Replacement		13	15	16	44
Vacancy	30	20	13	16	79
Reduction Substandard Stock	<u>7</u>	<u>11</u>	<u>13</u>	<u>7</u>	<u>38</u>
TOTAL	37	177	153	167	534

SUBURBAN COLUMBIA FALLS

	<u>1974</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>TOTAL</u>
Growth		15	84	96	195
Replacement		8	10	11	29
Vacancy	NA	4	10	11	25
Reduction Substandard Stock	<u>13</u>	<u>6</u>	<u>16</u>	<u>17</u>	<u>52</u>
TOTAL	13	33	120	135	301

COLUMBIA FALLS JURISDICTION

	<u>1974</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>TOTAL</u>
Growth		148	196	224	568
Replacement		20	25	27	72
Vacancy	30	24	23	27	104
Reduction Substandard Stock	<u>22</u>	<u>24</u>	<u>30</u>	<u>31</u>	<u>107</u>
TOTAL	52	216	274	309	851

## SUMMARY

1. The history of Columbia Falls teaches a lesson about speculation and over reaction to growth. Trying to "take advantage" of growth can often divert favorable growth to other areas. Inevitably, growth will occur and if it is not adequately accommodated for, other favorable aspects of growth may not be realized and all the unfavorable aspects will be.
2. The population of Columbia Falls is growing faster than any other area in Flathead County. Rural areas are exceeding city growth by 50 percent. Housing should be growing equally as fast.
3. The social characteristics indicate that Columbia Falls has the highest percentage of native Montanans of any city in the county. In light of its recent growth, this means that the people who are relocating in Columbia Falls and looking for a place to live are over 50 percent from within the county and over 25 percent from within the state.
4. The economic characteristics of Columbia Falls show a continued potential for strong growth. The employment and income data show that the population is supported by a predominantly heavy industrial labor force, with low unemployment and clustered income levels.
5. The percent of standard, deficient and substandard units in Columbia Falls is between the percentage of the other cities in the county.
6. The suburban area of Columbia Falls has no multi-family units and has a percent of mobile homes almost as high as Kallispell.
7. The information on units in structure show that the city has multi-family structures predominantly in the 2-4 unit and 10 or more unit ranges.
8. The housing supply characteristics show a decreasing vacancy rate for single family and multi-family units and a decreasing mobile home lot vacancy rate.
9. The housing stock built in the 50's and 60's is a superior stock. The stock built in the 1940's is due for renovation and repair. Houses built in the last four years are over 50% deficient as built. Suburban condition of structures is not as standard as the city area.
10. The suburban area in the 50's and 60's gained considerably on the city production levels. Recent trends indicate a revitalized city production rate. This is caused by growth of the city perimeter into suburban areas.
11. Yearly building rates are keenly sensitive to changing economic conditions. Columbia Falls is more erratic than the other cities of the Flathead.

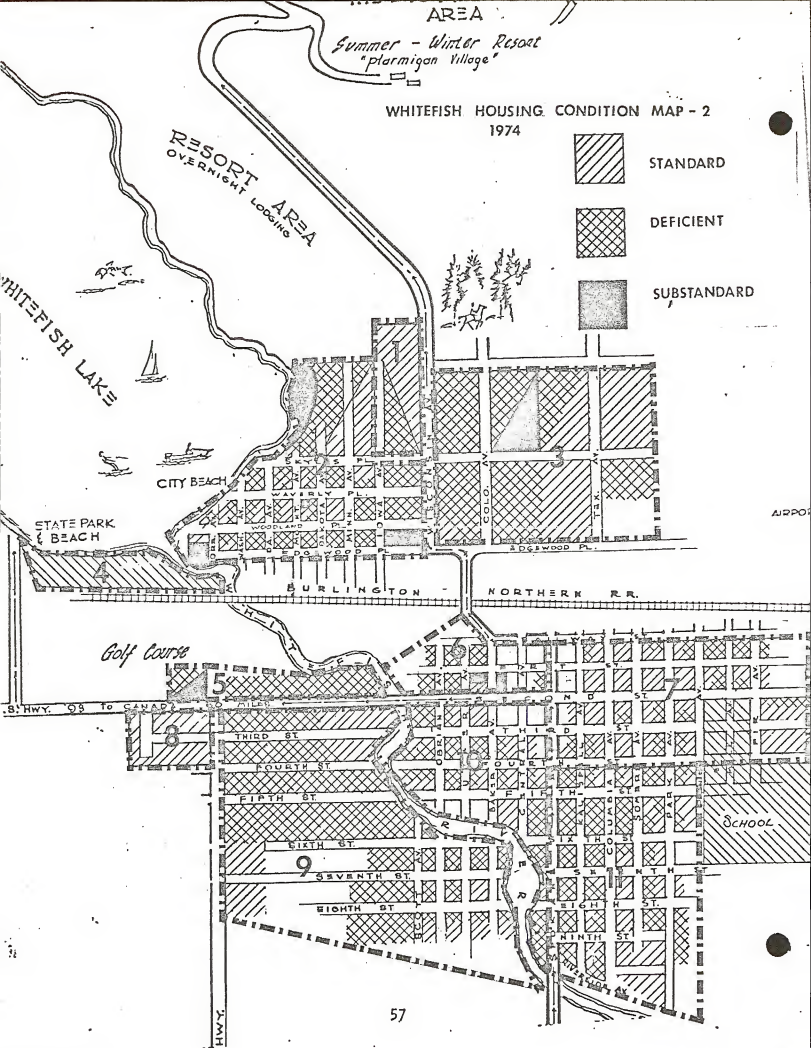
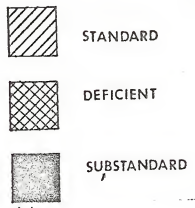
12. The city average building values are higher than suburban values by year built. However, suburban average values by condition are higher in the deficient and standard categories than the city values.

13. The estimated value of owner occupied dwelling units increased in values approximately \$5,000 from 1960 to 1970. It is estimated that a similar shift has occurred from 1970 to 1974. The rent levels indicate a stable rent price and a homogeneous renter population.

AREA

Summer - Winter Resort  
"Parmigan Village"

WHITEFISH HOUSING CONDITION MAP - 2  
1974





## NEIGHBORHOOD COMMENTS

### Area 1

This area contains two newer subdivisions with standard structures and scattered deficient homes inbetween and around them. The area is more suburban in nature and the deficient structures do not distract terribly from the standard structures, most of which are in subdivisions. People in this area should be aware of the condition of the structures and maintain them to insure the present pleasant area and sound condition of the structures.

### Area 2

This area spreads itself on the top of a little mountain and is quite an interesting neighborhood. It has numerous substandard structures, most of which are seasonal because this area borders Whitefish Lake. Here though, there is a greater concentration of deficient homes and immediate steps should be taken to improve and maintain the structures to preserve the interesting neighborhood characteristics of this area.

### Area 3

This area is out on a broad flat larger acreage tracts and in general has a tendency for a lesser standard quality and more scattered appearance. This is tolerable for individual residences more than likely because of the distance between neighbors is relatively greater than any other area in Whitefish. However, further investment and development in this area might be discouraged because of the condition of the structures and the nature of the life style present here. Steps should be taken to enhance the aesthetic quality of this neighborhood as well as the general condition of the structures.

### Area 4

This area is a newer, nicer, sound subdivision which borders the lake and has the special quality of isolation from the rest of the city. This area has no housing problems and hopefully will maintain its outstanding quality.

### Area 5

This area is experiencing blight. Immediate steps should be taken to improve the condition of the structures. It has the disadvantage of being squeezed inbetween a major highway and the railroad right of way.

#### Area 6

This area more than the above area is experiencing blight. It is smaller and is surrounded by highways, right of ways and a commercial district. Its location and size make this area an important one to improve and an easier one to handle. In a sound condition, it will enhance the quality of the city, many times the size of the neighborhood merely because of its exposure.

#### Area 7

This neighborhood is a good, sound, neighborhood. It is next to the school and open spaces. Continued maintenance is all that is necessary to maintain the quality of this neighborhood.

#### Area 8

Here is another, semi-isolated, outstanding quality subdivision. This area has no housing problems and would be a fine addition to the city.

#### Area 9

This area is large and has a mix of housing conditions. It can be broken down again to more specific considerations. However, there are a substantial number of deficient houses and cluttered areas which need attention. On the other hand, there are clusters of fine neighborhoods with standard housing. The people in this area need to consider their alternatives and specify their needs.

#### Area 10

This area is much better than its deficient condition indicates. Here are the examples of the sound but deficient homes. The neighborhood is neat, attractive and is close to the commercial district. This area should be high on the priority list for maintenance in the city.

#### Area 11

This area has a mixed housing stock too, much like Area 9, however, the general condition of housing is better and the aesthetic qualities are more superior. The neighborhood is also much like Area 10, although it has expanded more with newer homes. This area is next to the school and should also be high on the priority list for maintenance and preservation.

NUMBER OF EXISTING HOUSING UNITS

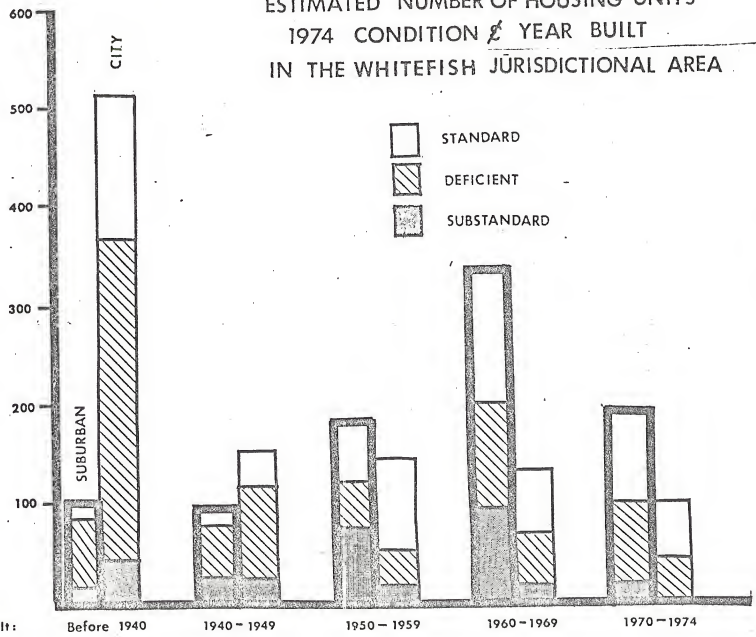


TABLE 19  
 ESTIMATED NUMBER OF HOUSING UNITS  
 1974 CONDITION & YEAR BUILT  
 IN THE WHITEFISH JURISDICTIONAL AREA

TABLE 19

TABLE 20  
**WHITEFISH JURISDICTION**  
 EXISTING NUMBER OF SINGLE FAMILY HOUSING UNITS  
 BY THE YEAR BUILT

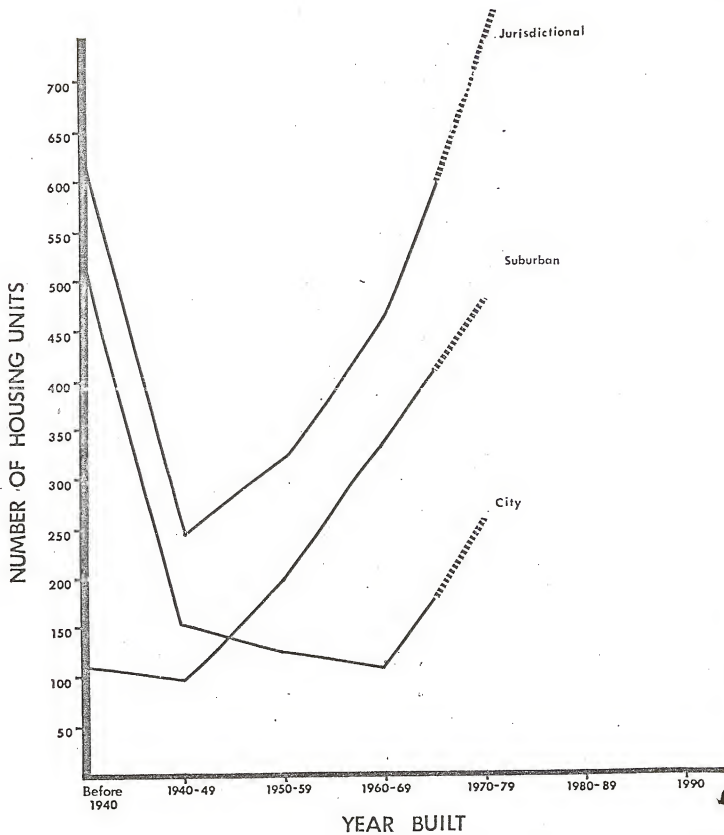


TABLE 21  
**WHITEFISH AVERAGE BUILDING VALUES  
 BY YEAR BUILT AND CONDITION**

VALUE IN DOLLARS

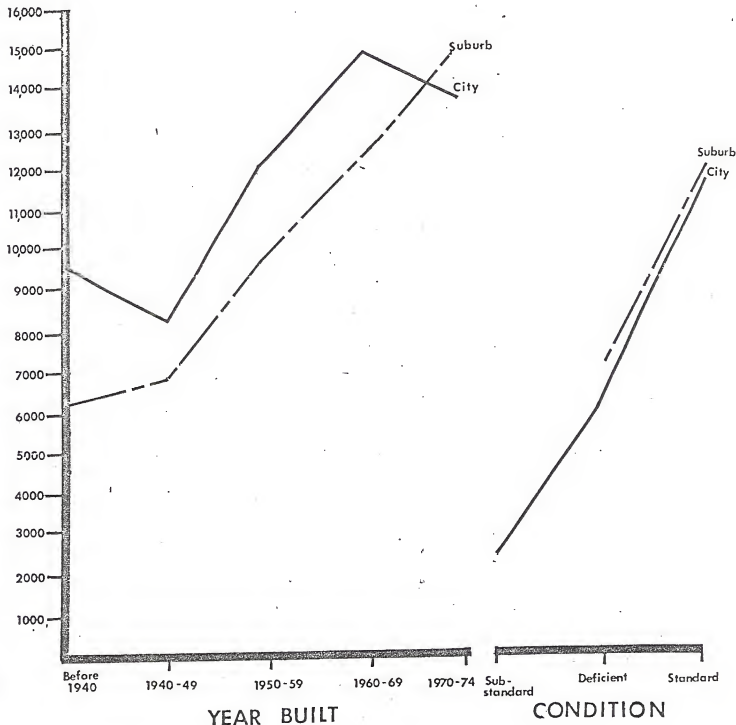
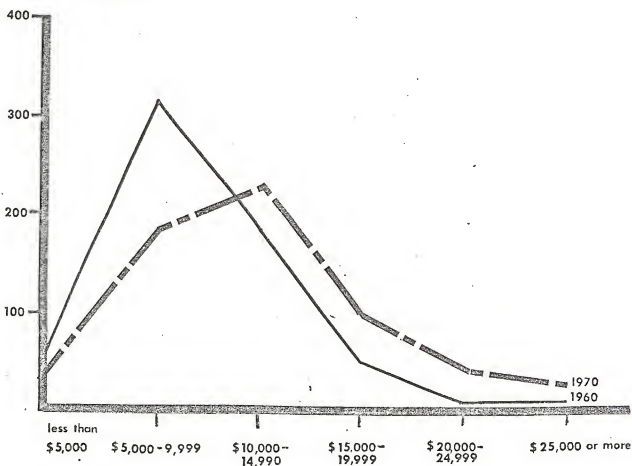


TABLE 22  
WHITEFISH

VALUE OF OWNER OCCUPIED DWELLING UNITS

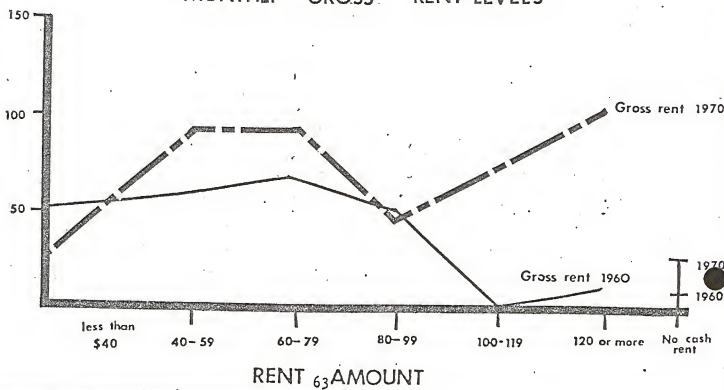
DWELLING UNITS



RENTAL HOUSING UNITS

CITY OF WHITEFISH

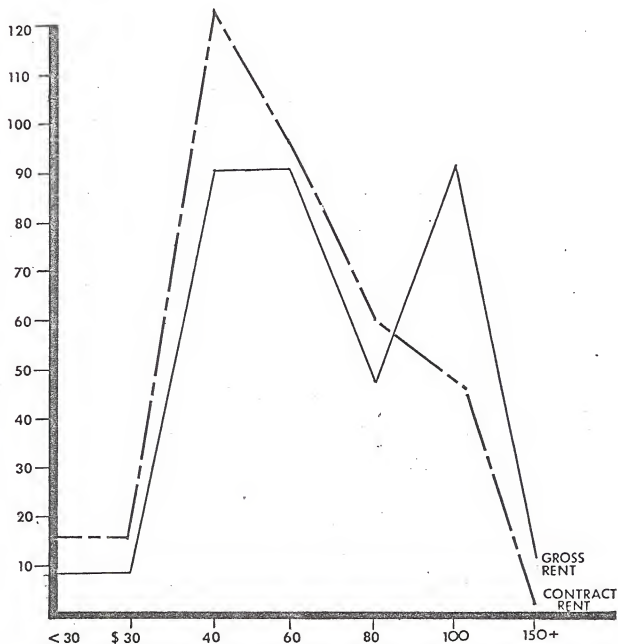
MONTHLY GROSS RENT LEVELS



RENT <sub>63</sub> AMOUNT

TABLE 23  
WHITEFISH  
RENTER OCCUPIED HOUSING UNITS  
A COMPARISON OF GROSS RENT AND CONTRACT RENT  
1970 CENSUS DATA

<u>GROSS RENT</u>			<u>CONTRACT RENT</u>		
TOTAL	390	Percent	TOTAL	390	Percent
Less than \$30	8	2.1%	Less than \$30	16	4.1%
\$30 to \$39	8	2.1%	\$30 to \$39	15	3.9%
\$40 to \$59	92	23.6%	\$40 to \$59	123	31.5%
\$60 to \$79	94	24.1%	\$60 to \$79	97	24.9%
\$80 to \$99	48	12.3%	\$80 to \$99	60	15.4%
\$100 to \$149	94	24.1%	\$100 to \$149	47	12.0%
\$150 or more	13	3.3%	\$150 or more	3	0.8%
No Cash Rent	33	8.4%	No Cash Rent	29	7.4%
Median	\$72		Median	\$65	



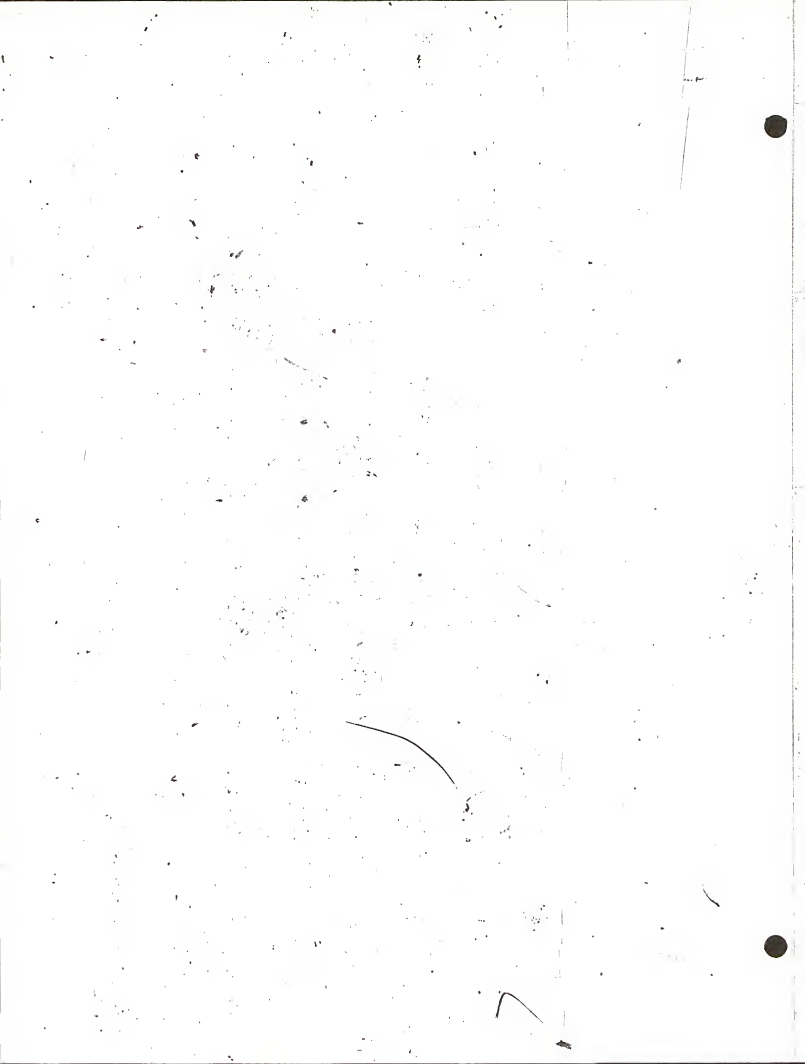




TABLE 24  
TOTAL PRODUCTION REQUIREMENTS (3)  
(DWELLING UNITS)

CITY OF WHITEFISH

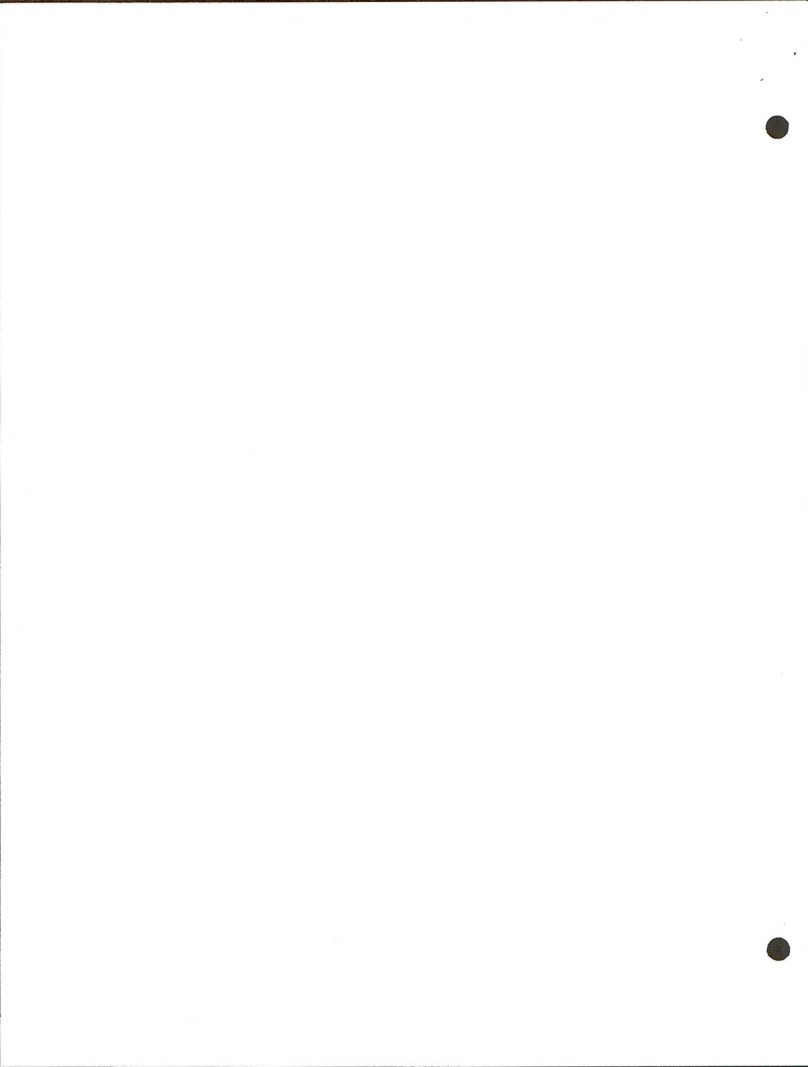
	<u>1974</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>TOTAL</u>
Growth		106	132	146	384
Replacement		16	18	20	54
Vacancy	48	19	16	19	102
Reduction Substandard Stock	<u>19</u>	<u>20</u>	<u>20</u>	<u>19</u>	<u>78</u>
TOTAL	67	161	186	204	618

SUBURBAN WHITEFISH

	<u>1974</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>TOTAL</u>
Growth		107	136	150	393
Replacement		14	16	18	48
Vacancy	NA	17	16	18	51
Reduction Substandard Stock	<u>39</u>	<u>39</u>	<u>39</u>	<u>39</u>	<u>156</u>
TOTAL	39	177	207	225	648

WHITEFISH JURISDICTION

	<u>1974</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>TOTAL</u>
Growth		213	268	296	777
Replacement		30	34	38	102
Vacancy	48	36	32	37	153
Reduction Substandard Stock	<u>58</u>	<u>59</u>	<u>59</u>	<u>58</u>	<u>234</u>
TOTAL	106	338	393	429	1,266



## SUMMARY

1. The history of Whitefish has several housing lessons. One is that development should be planned to incorporate the existing physical features and capabilities. Secondly, if an area is in doubt about growth potential, they should build to accommodate the greatest anticipated for the longest amount of time, rather than ignore its potentials. Homes built in the early 1900's are good sound homes and have not been improved to present standards because of tax methods and the minimal utility the improvement would bring in relation to the cost.
2. The impact of recreation in the Whitefish area has caused the area around Whitefish Lake and the suburban area to grow twice as fast as the city area. Presently, Whitefish is the slowest growing city area in the Valley.
3. Whitefish has one of the lowest recent migration rates, however, the percent of natives for cities in its size class is the lowest in the state indicating an overall history of substantial migration.
4. Whitefish has a stable economic base characteristic of an older more mature city with a smooth income curve that is generally one of the highest in value in the county.
5. Whitefish has the least standard overall housing condition, however, many of the deficient structures are sound. Whitefish also has the highest percentage of mobile homes and the lowest percentage of multi-family units. This seems to be a county relationship. The fewer multi-family, the more mobile homes. Whitefish has an almost one-third mix each of 2-4, 5-10, 10 and over units in structure mix.
6. Whitefish suburban area housing condition is better than Columbia Falls but not as standard overall as Kalispell suburban area. This suburban area has the lowest percentage number of mobile homes for any of the suburban areas by more than half. This is indicative of the impact of recreational demand for a cabin, with the mobile home as an inferior substitute.
7. The city vacancy rate is dropping. Multi-family construction doubled yet mobile home owners have almost tripled.
8. The housing stock that is in surprisingly good condition is the stock built before 1940. The 1940 stock is the poorest, with the 1950-74 housing stock being in about the same unimpressive quality.
9. Building rates in the city dropped from 1940 to 1970, however, they have recently picked up considerably. The suburban rates have been growing considerably since 1940 and are almost twice as high as the city building rates.

10. Recent building starts in the City of Whitefish indicate a more conservative building philosophy which in comparison to the other cities is not very erratic.

11. Average building values in the city before 1940 are higher than those structures built in the 1940's. Also the building values in the 1960's are higher than those in the 70's for buildings in the city. Building values in the suburban area increase steadily as the buildings get younger. The suburban values in the 70's exceed those in the city.

12. Housing values in the minds of the owners appreciated about \$5,000 from 1960 to 1970. The greatest increase in the number of rental units from 1960 to 1970 was in the 100 dollar and more categories. The increase in the \$40 to \$80 range was not nearly as dramatic.

13. Gross rent and contract rent levels in Whitefish do not seem to differ in number of available units as dramatically as the other cities. The biggest differences occur at the \$40 level where there are substantially fewer gross rent units than contract rent units and at the \$100 to \$149 level where there are substantially more gross rent units than contract units. This indicates a definite shift to the right in rental costs above the contract rate, however, it is not as extensive as the other cities.

KALISPELL HOUSING CONDITION MAP - 3  
1974



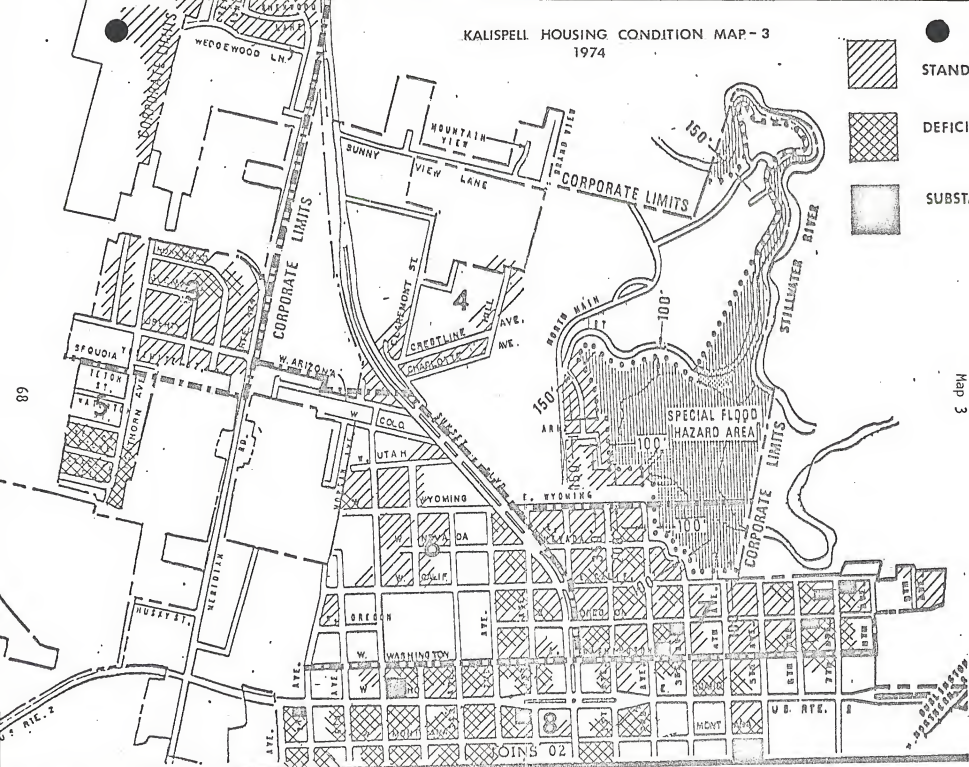
STANDARD



DEFICIENT

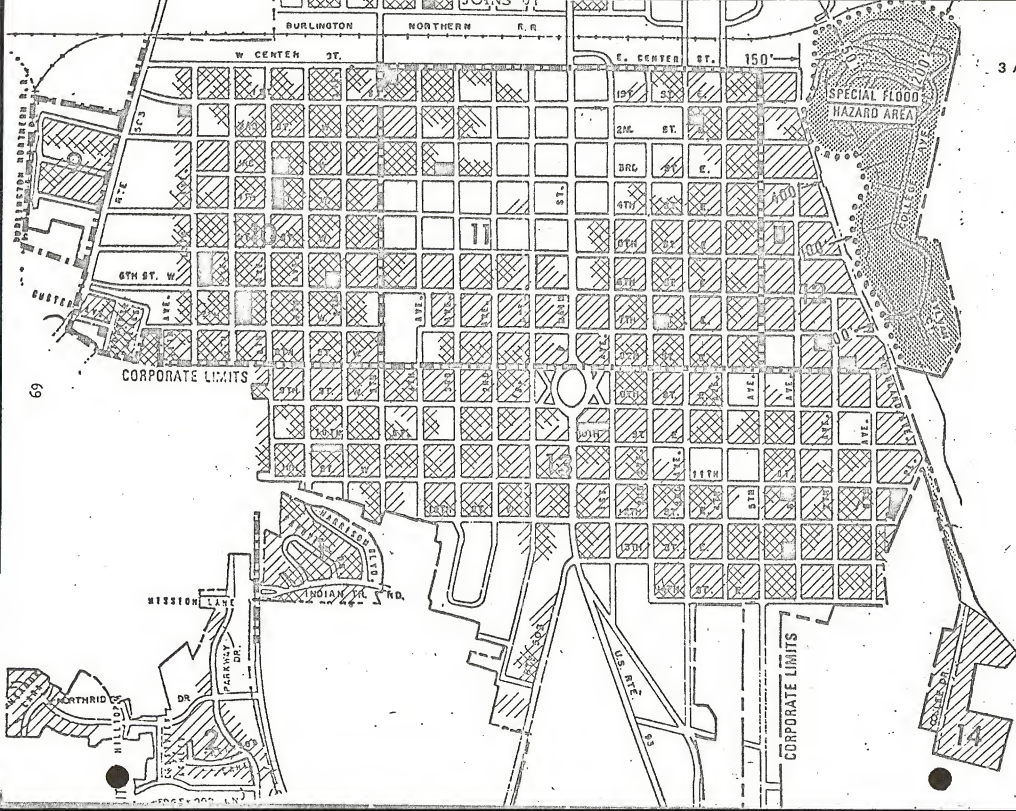


SUBSTANDARD



Map 3

99-051104-999  
99-051104-999



69

CORPORATE LIMITS

SPECIAL FLOOD HAZARD AREA

MISSION LANE

HARRISON  
NOIAN PL. RD.

U.S. 102

CORPORATE LIMITS

HILLSIDE

NORTHRID DR

PARKWAY DR

EDGEWOOD LN

COLLEGE AVE

CUSTER

150'

## NEIGHBORHOOD COMMENTS

### Area 1

Area 1 is a new subdivision and was initiated by a federal subsidy program. The homes are not especially inexpensive. They have been reported to cost as high as \$30,000, however, the subsidized owners usually are paying closer to \$20,000. It is important to note that this is one of the local examples of federal programs not fulfilling their intent, primarily because of the role of the real estate industry. This will be explained in more detail in another section, however for now let it suffice to say that because the government subsidized it, in effect giving the builder a no risk, little investment fixed price situation, the most logical way for the builder to maximize his profits was by cutting construction costs. The presence of deficient homes that are only a few years old is testimony to this fact. This is an unfortunate case. The homes cost the government money which costs the public money. They cost the community money because of their poorer condition and they cost the owner money. Because of the owner's long term investment (up to 30 years) which he pays for the house many times over because of interest and the poor quality structure, he could unlikely recover at sale what he has had to pay for it. The people who do not suffer are the builders and the mortgage institutions who get their rich free money either from the owners or the government on a default guarantee.

### Area 2

This area which includes development over ten years old and a recent fantastic growth in new construction is a very pleasant neighborhood, frequently of more expensive housing, well maintained. Trees in the older section are making the neighborhood a mature looking one and the buildings in the new section are of a tasteful variety which makes for an interesting area. The inclusion of multi-family units is an optimum development pattern as it provides for a variety of life styles, costs and a comprehensive community.

### Area 3

This is the so called Adam's Addition. The homes here are of a good quality, well maintained and generally quite new. The homes are of a moderate to above moderate price, however, there is a mix of housing design, size and presumably priced. The area has park playground areas which have tended "to bring the kids out from the walls" as one area resident remarked.

### Area 4

Area 4 is another high quality subdivision that is at least 10 to 15 years old. Vacant lots are still attracting new construction. This area borders on the golf course which provides a beautiful background for the unique homes found here.

#### Area 5

This area is very similar to that of Area 1. However, this was an earlier project and had even more problems. The street design is the simplest and cheapest grid style. The lots are quite small. The homes constructed there are of a quality comparable to a moderately priced mobile home of years back. The crowded nature of the neighborhood makes this area seem cluttered in addition to the poor quality of construction. The negative characteristics of this neighborhood are attributable more to the design and the builders than to the present occupants. It should be noted here that the establishment of a neighborhood council of some type for the improvement of the quality and neatness of the area would be an investment for all the area residents. A little money and a lot of work would enhance property values and the chance to protect some if not all of their investment.

#### Areas 1 Through 5

Most of the new growth in Kalispell is out in these areas. Trends indicate this will continue to be true. As far as school children are concerned, each of these areas require students to cross major roadways which generally don't have enough well designed cross walk areas. Also there are substantial distances involved for some of the younger students. It is hoped that a new school that will probably go in for this area will provide a good location to minimize distances and traffic hazards and provide open space for surrounding neighborhoods as needed.

#### Area 6

This area has good condition housing, two school areas with open space and is inbetween the junior high school and the high school. It is not terribly close to the commercial area, however, the trend for providing neighborhood stores for areas like this provides a great service for those who can not shop as readily as another person. While the area has very few multi-family structures, it does have a variety of size and age of structures which address the needs of various groups of families and incomes.

#### Area 7

Area 7 has a mix of housing age which is quite extensive as well as a mix of condition. Many homes in the eastern section were built when the town was very young. Some of the homes in the northwestern section have been built within the past 10 to 20 years. The neighborhood in general is pleasant and well maintained. Many of the substandard structures border the alley and not the street and tend not to be conspicuous. This area could use some urban renewal and maintenance projects to prevent the neighborhood from being swallowed up by blight.



#### Area 8

This neighborhood is split down the center by a major thoroughfare lines with commercial establishments and bordered by the railroad tracks. The houses are generally older and of poorer condition. The variety of land uses which are not generally compatible are the primary causes of blight in this area. Maintenance or removal are very clear choices in this area. The land might best serve the community in a commercial way rather than the community invest in new housing here.

#### Area 9

This area is a well constructed, good quality subdivision which is isolated somewhat, yet provides a comprehensive community with a mix of housing types, sizes and qualities. It has a neighborhood store and is near a school.

#### Area 10

Area 10 is an area which is experiencing urban blight at the largest scale in Kalispell. There are numerous multi-family dwelling units, vacant lots, split lots, variety of age and size of housing and condition. In general, the land use development has been a jumble. The older poorer quality structures are frequently being rented. This is not far from being related to slum landlording. The deficient structures are providing adequate housing for generally lower income groups who can afford a house but can not afford the taxes to pay for owning a standard house. The condition of housing in this area can be improved some with a change in the tax procedures on real estate.

#### Area 11

This area includes the central business district and most of the original townsite. The housing condition and type is mixed, however, in general the neighborhood is average in quality. The commercial land uses have not extensively competed with residential land uses. The two tend to border each other. The structures in this area are generally older and the boulevards are mature. Schools are readily available and bordering neighborhoods in addition to areas within the boundaries provide open space.

#### Area 12

Area 12 could be divided in two sections itself because of the flood plain area. But generally housing quality is not that different between the two areas. The housing is predominately standard with a few very old structures, generally rented or vacant that cause the black areas on the map. While a grade school is nearby, this area is generally one of the furthest from the other schools. This neighborhood, though, enjoys being next to Woodland Park, and the river area which provides lots of open space and scenic areas.

#### Area 13

This area is a fine neighborhood. It has a mix of housing types, conditions, ages and the like. It has a great deal of its boundary exposed to open space in the county area. Growth in this area is not particularly expected in terms of land space, however, this area will probably develop more multi-family units and go to a denser population. It is not very far from the central business district. There are relatively few conflicting land uses and intruding thoroughfares. It is, however, quite far from the junior high school. However, busing alleviates most of this situation.

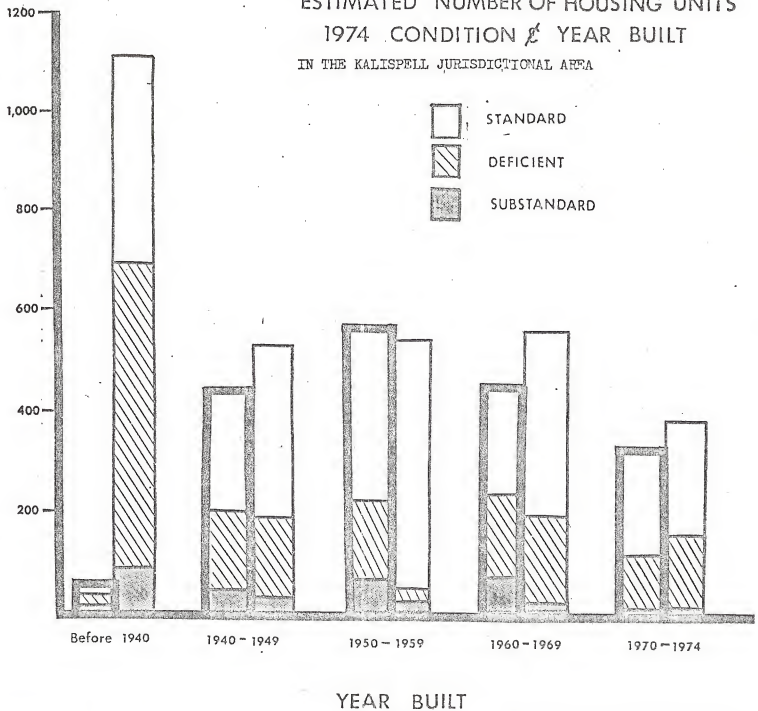
#### Area 14

This area was given its own neighborhood because of its isolation from the other areas. It will probably experience some growth of its own. A new subdivision was recently annexed in this area and future subdivisions in the nearby areas will probably attach themselves to the city. The condition of structures is outstanding; the neighborhood is neat and has lots of open space.

TABLE 25  
 ESTIMATED NUMBER OF HOUSING UNITS  
 1974 CONDITION & YEAR BUILT

IN THE KALISPELL JURISDICTIONAL AREA

NUMBER OF EXISTING HOUSING UNITS



KALISPELL  
JURISDICTIONAL AREA

EXISTING NUMBER OF SINGLE FAMILY HOUSING UNITS  
BY YEAR BUILT

TABLE 26

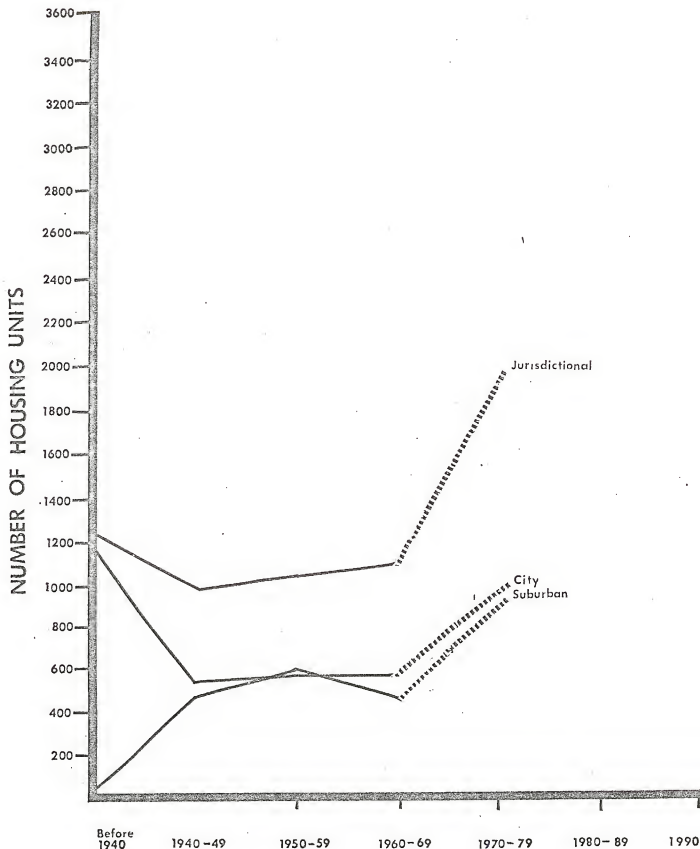


TABLE 27  
 KALISPELL AVERAGE BUILDING VALUES  
 BY YEAR BUILT AND  
 CONDITION

VALUE IN DOLLARS

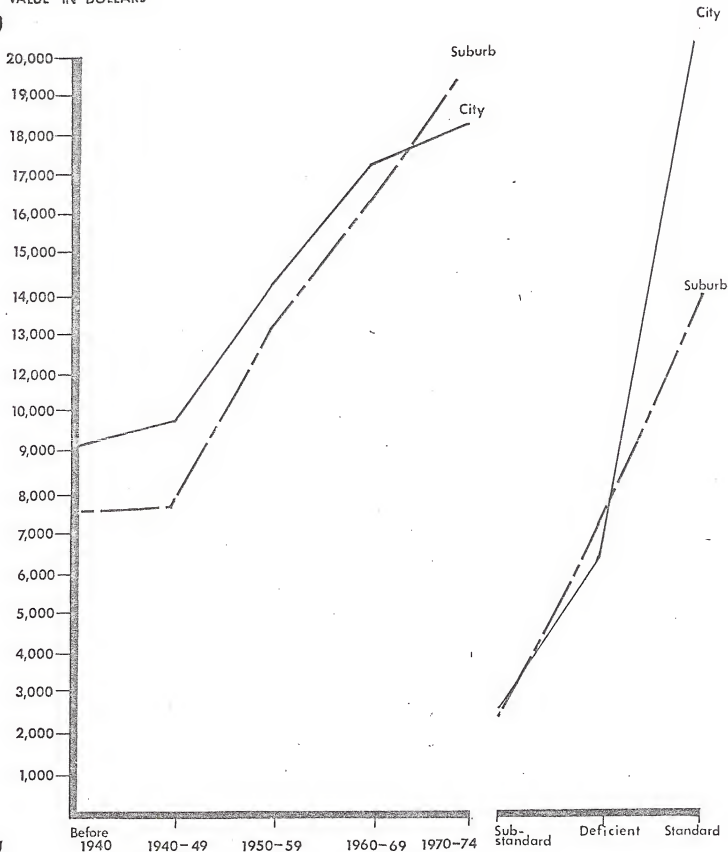
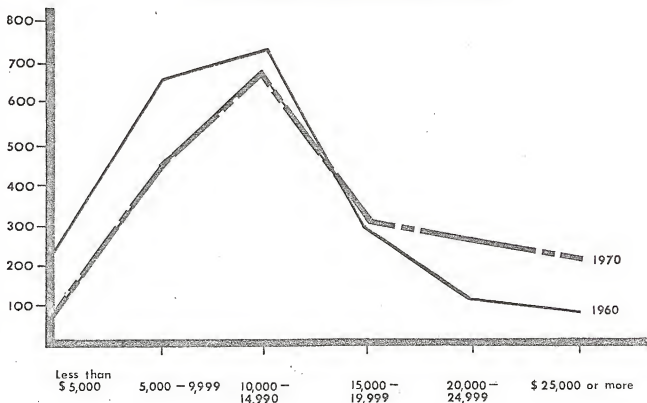


TABLE 28  
KALISPELL

DWELLING UNITS

VALUE OF OWNER OCCUPIED DWELLING UNITS



RENTAL HOUSING UNIT

CITY OF KALISPELL  
MONTHLY GROSS RENTY LEVELS

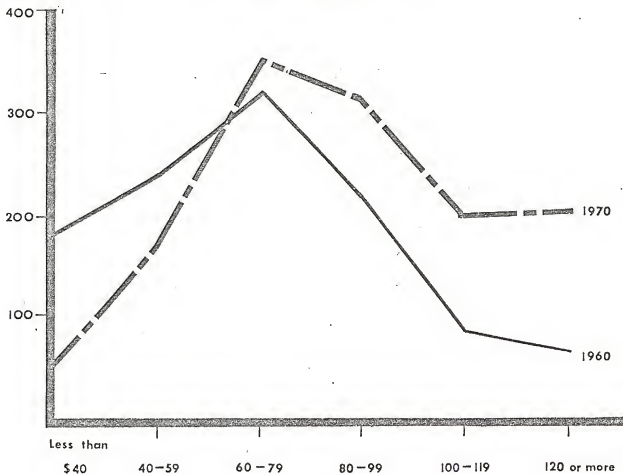


TABLE 29  
**KALISPELL**  
**VALUE OF OWNER OCCUPIED**  
**DWELLING UNITS**

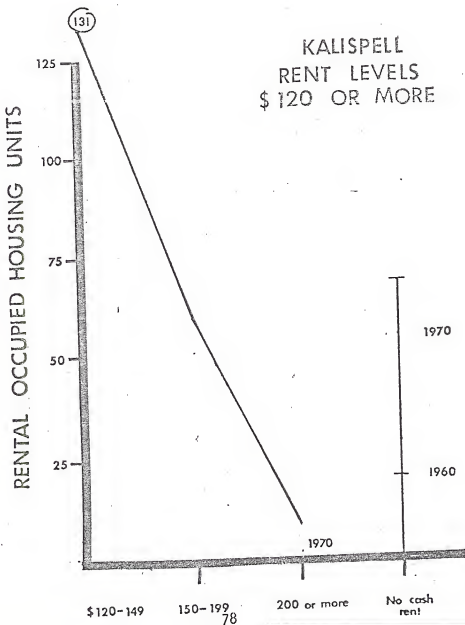
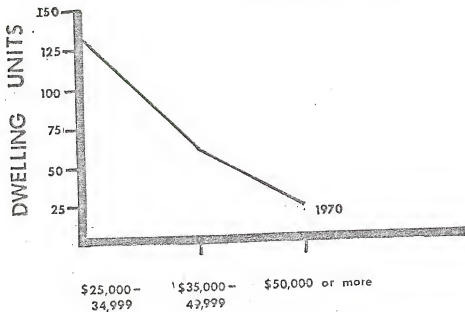


TABLE 30  
 KALISPELL  
 RENTER OCCUPIED HOUSING UNITS  
 A COMPARISON OF GROSS RENT AND CONTRACT RENT  
 1970 CENSUS DATA

	GROSS RENT 1970		CONTRACT RENT 1970	
	NUMBER	PERCENT	NUMBER	PERCENT
Total	1,303	100.0	1,306	100.0
Less than \$40	56	4.3	132	10.1
\$ 40 to \$ 59	175	13.4	286	21.9
\$ 60 to \$ 79	349	26.8	352	27.0
\$ 80 to \$ 99	307	23.6	256	19.6
\$100 to \$119	191	14.7	100	7.6
\$120 or more	(205)	(15.7)	(122)	(9.4)
\$120 to \$149	131	10.0	84	6.4
\$150 to \$199	64	4.9	36	2.8
\$200 or more	10	0.8	2	0.2
No Cash Rent	20	1.5	58	4.4

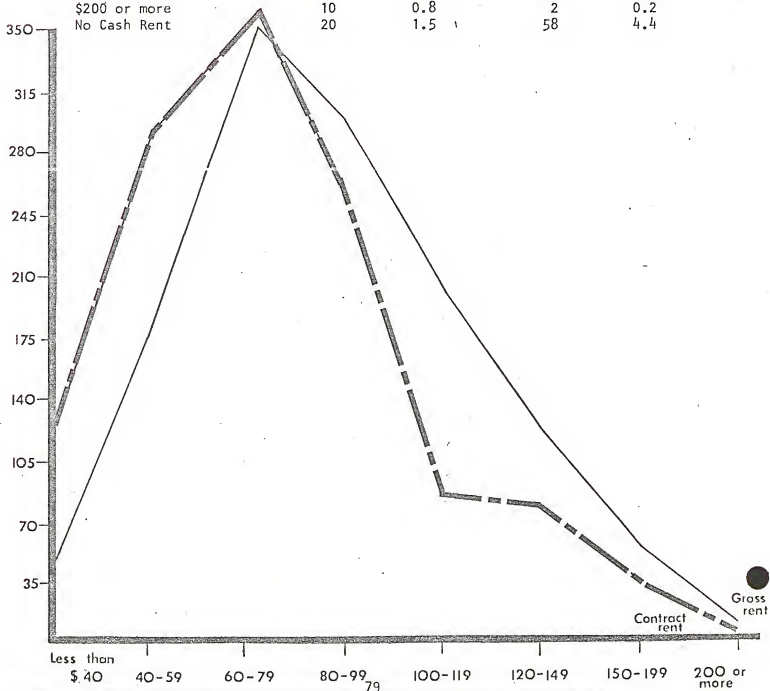




TABLE 31  
TOTAL PRODUCTION REQUIREMENTS (3)  
(DWELLING UNITS)

CITY OF KALISPELL

	<u>1974</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>TOTAL</u>
Growth		396	429	475	1,300
Replacement		50	58	65	173
Vacancy	160	66	52	60	338
Reduction Substandard Stock	<u>41</u>	<u>42</u>	<u>42</u>	<u>41</u>	<u>166</u>
TOTAL	201	554	581	641	1,977

SUBURBAN KALISPELL

	<u>1974</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>TOTAL</u>
Growth		283	328	388	999
Replacement		35	41	46	122
Vacancy	NA	41	37	46	124
Reduction Substandard Stock	<u>33</u>	<u>33</u>	<u>33</u>	<u>33</u>	<u>132</u>
TOTAL	33	392	439	513	1,377

KALISPELL JURISDICTION

	<u>1974</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>TOTAL</u>
Growth		679	757	863	2,299
Replacement		85	99	111	295
Vacancy	160	107	89	106	462
Reduction Substandard Stock	<u>75</u>	<u>75</u>	<u>74</u>	<u>74</u>	<u>298</u>
TOTAL	235	964	1,016	1,154	3,354

## SUMMARY

1. The history of Kallispell shows that a community which develops its services experiences a comprehensive development with industrial and commercial interests and a variety of people and life styles.

2. Kallispell's growth rate in the city was the slowest from 1960-70 compared to the other cities in the county, however, recently it is the second fastest growing city in the county, experiencing almost twice the growth rate it did in the earlier period. The rural areas from 1960-70 grew tremendously in population but recent trends show that the difference between the suburban and city growth rates are narrowing.

3. Kallispell uniquely enough has the lowest native population in the county and yet has the highest percentage of people who lived in the Flathead from 1965 to 1970.

4. The percent of total county unemployed civilian work force in Kallispell is the highest of any of the cities in the county. Kallispell's nonworker-worker ratio is the second highest for cities in its size class in the state and the highest percentage of people working in manufacturing industries.

5. Kallispell has the second lowest median income for cities in its size class, the second lowest percent of people making over \$15,000 and the highest percent of people with an income less than the poverty level.

6. Kallispell has the most standard housing condition of cities in the county. It has the highest percentage of multi-family units and the lowest percentage of mobile homes. The suburban area has the highest percentage of mobile homes of the other city suburban areas.

7. Over 80% of the multi-family structures are 2-4 units and 10 or more units.

8. Kallispell's renter occupied single family units has not increased significantly from 1970 to 1974. The number of multi-family units increased over 100% during this same time period. The apartment vacancy rate is down very low and the single family vacancy rate is declining. The mobile home park lot vacancy rate is very low also.

9. The Kallispell single family housing stock is more standard than the suburban stock and is generally the best for any of the cities in the county. 47% of the houses in the city were built before 1940 while only 7% in the suburban area were built during this time. By age though, the housing condition characteristics between the suburban and city areas are not that dissimilar.

10. Building rates from 1940 to 1970 were quite stable and level. However, recent building rates for these areas indicate a phenomenal increase in the building rate potential for the ten year period ending in 1979.

11. Kalispell has an erratic yearly building rate. Recently this is caused primarily by federal housing programs which were substantially larger than private projects.

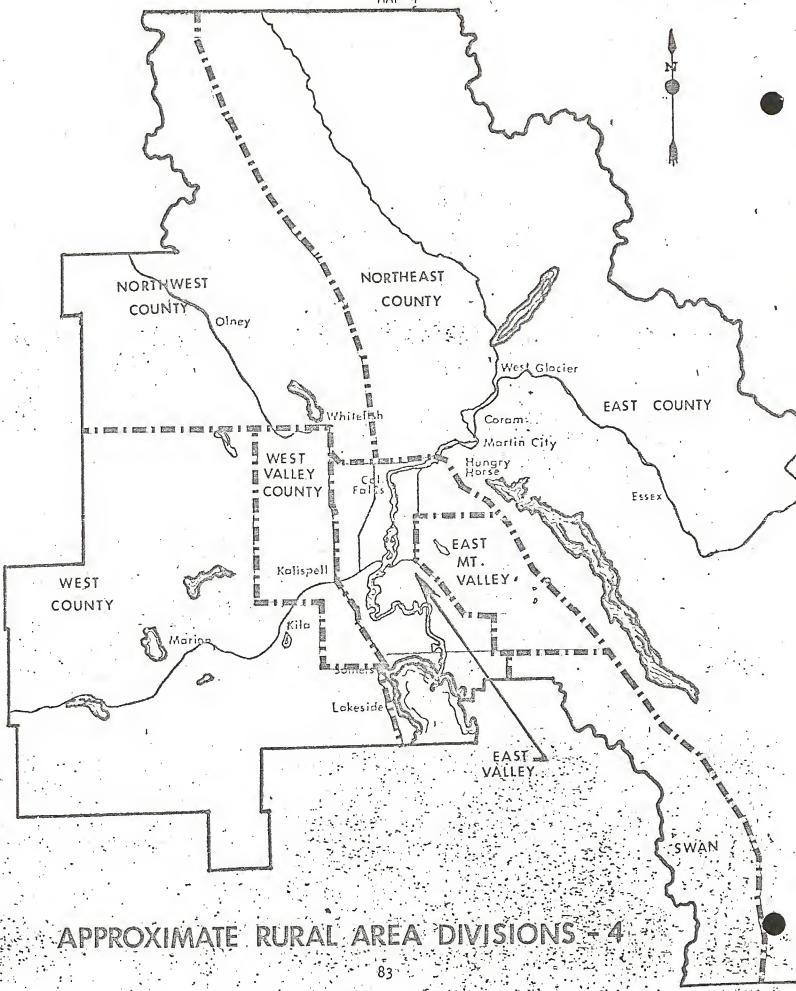
12. Average appraised value by age in the Kalispell area parallel each other until recently when the suburban values surpassed the city values. However, by condition the city value is substantially higher in the standard category. Overall, building values are higher in Kalispell than in the other city areas.

13. 1970 census data shows a minor shift in the minds of housing owners of the value of their dwelling unit from 1960. This is attributable to the size of the city mainly and its slower growth rate during that period.

14. Gross rent levels from 1960 to 1970 show that people are paying more higher rent uniformly at most levels.

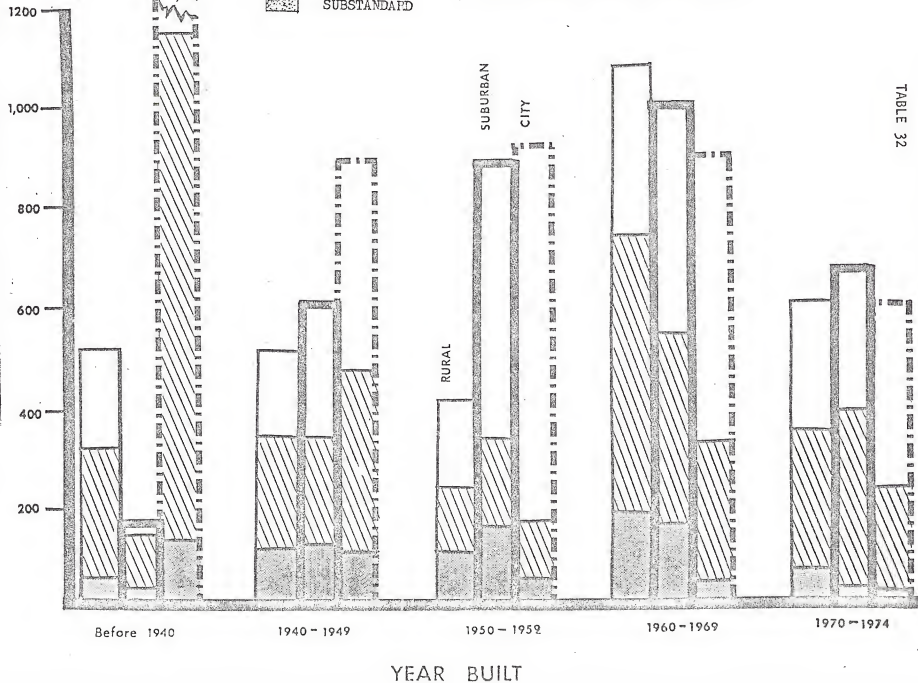
15. People in Kalispell seem to prefer to spend larger amounts of money for owner occupied than for rental units.

16. A comparison of gross and contract rent levels show that gross rent levels are generally skewed to the right of contract rent levels. However, the peak in Kalispell is the same for the two rent indicators and the variations in the contract levels are smoothed out in the gross rent indicators. This shows that gross rent is a better indicator of the rental demand and actually cost of rental housing.



APPROXIMATE RURAL AREA DIVISIONS - 4

NUMBER OF EXISTING HOUSING UNITS



FLATHEAD COUNTY RURAL AREAS AND RURAL COMMUNITIES AVERAGE VALUE  
 OF SINGLE FAMILY UNITS BY YEAR BUILT  
 TABLE 33

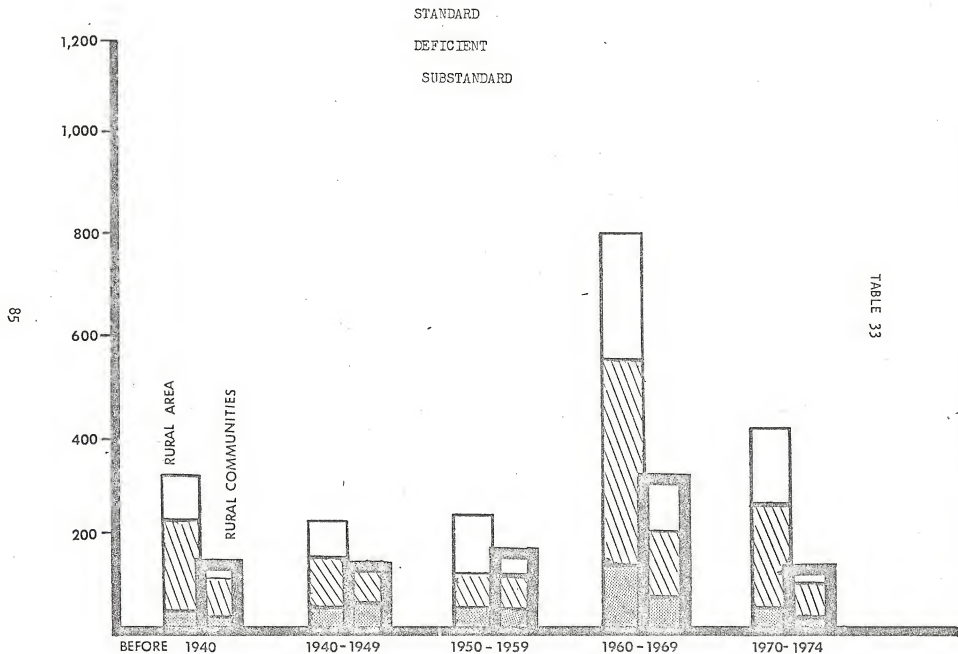


TABLE 34  
 ESTIMATED NUMBER OF SINGLE FAMILY HOUSING UNITS  
 FOR RURAL, CITY, AND SUBURBAN AREAS IN THE  
 COUNTY'S JURISDICTION

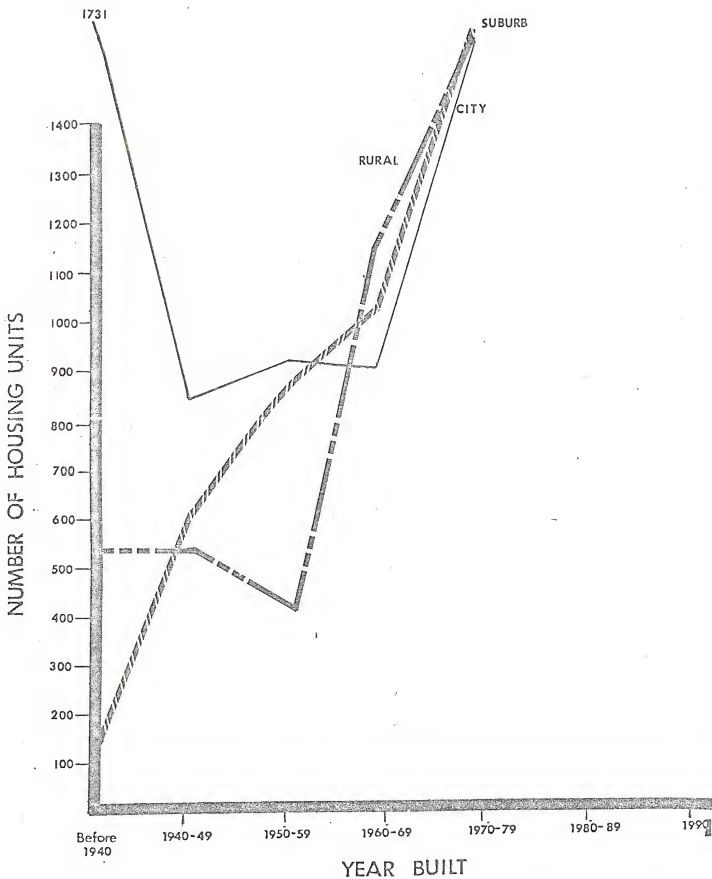


TABLE 35  
 ESTIMATED NUMBER OF HOUSING UNITS  
 1974 CONDITION BY YEAR BUILT  
 IN THE BIGFORK JURISDICTIONAL AREA

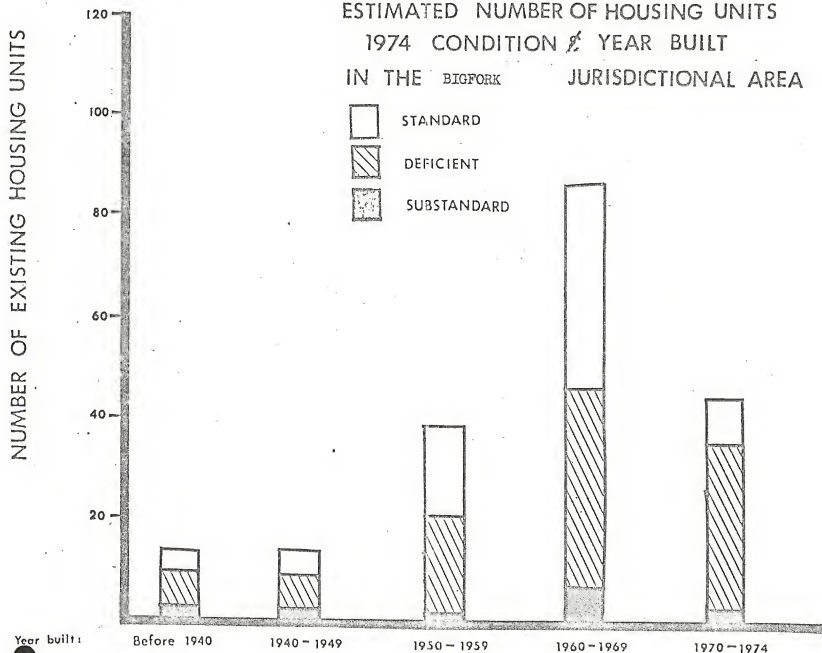




TABLE 36  
**BIGFORK AVERAGE BUILDING VALUES  
 BY YEAR BUILT & CONDITION**

VALUE IN DOLLARS

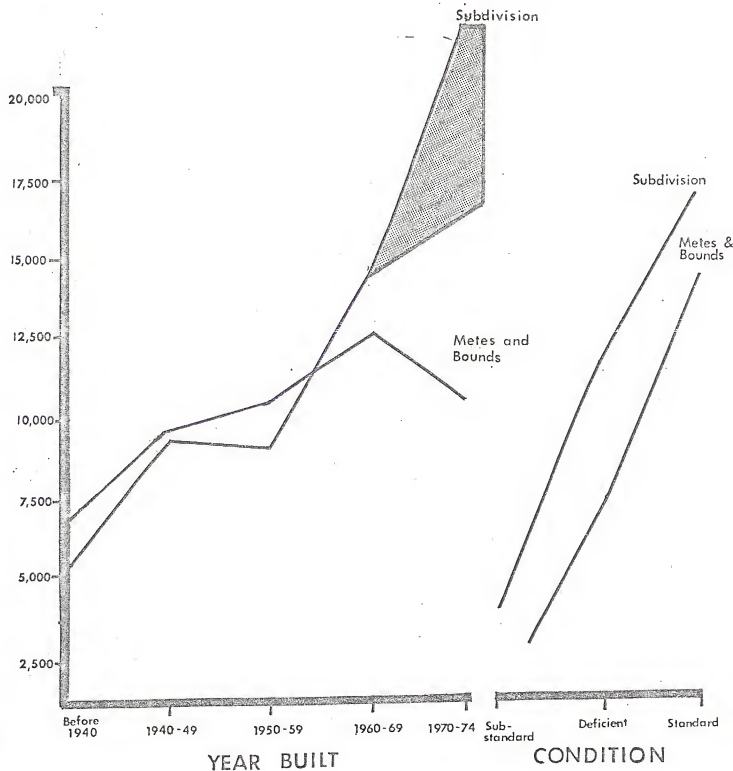


TABLE 37  
 ESTIMATED NUMBER OF HOUSING UNITS  
 1974 CONDITION AND YEAR BUILT  
 IN THE HUNGRY HORSE, MARTIN CITY,  
 AND CORNN JURISDICTIONAL AREA

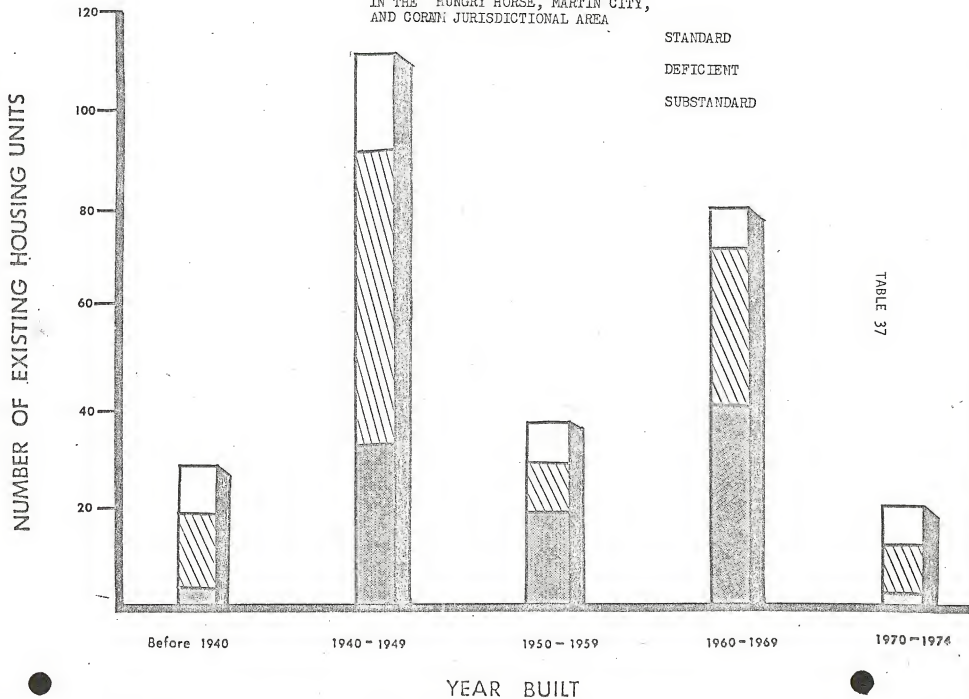


TABLE 38  
 HUNGRY HORSE, MARTIN CITY, AND CORAM AVERAGE BUILDING  
 VALUES BY YEAR BUILT AND THE CONDITION

VALUE IN DOLLARS

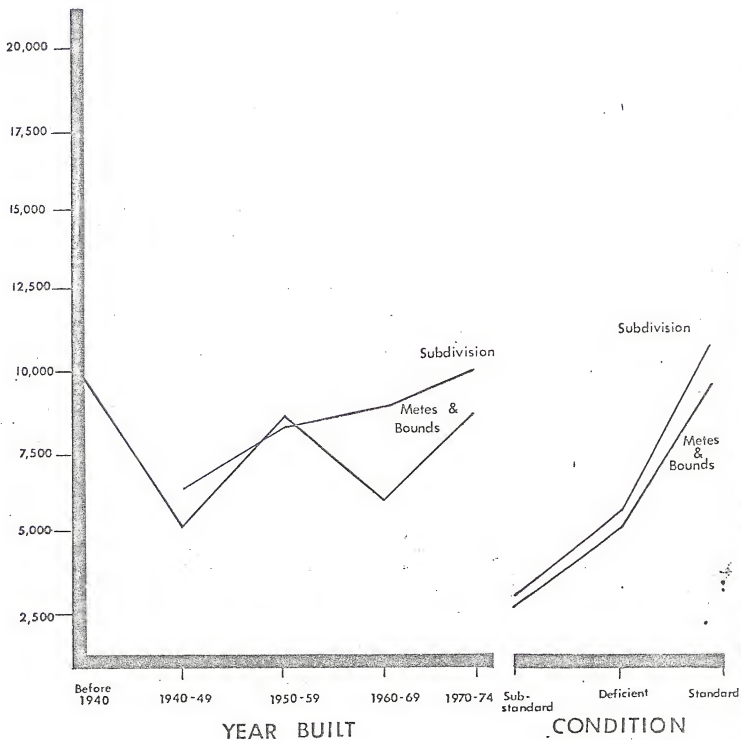
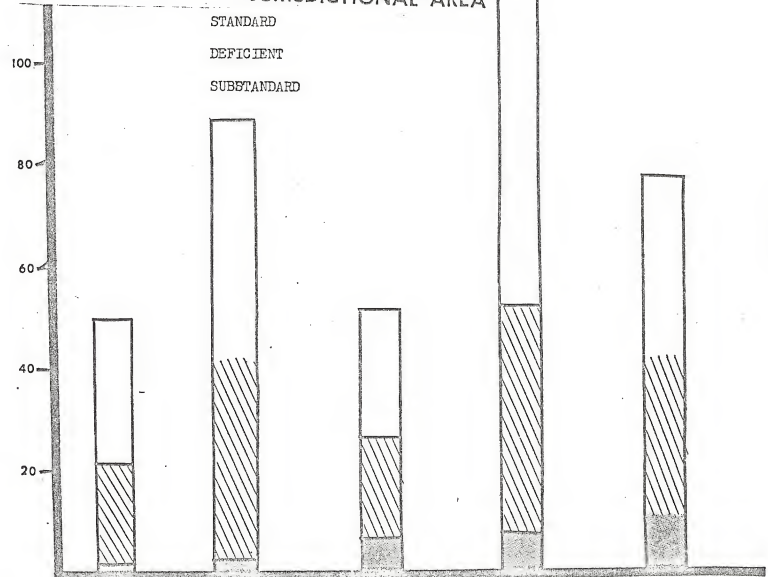


TABLE 39  
 ESTIMATED NUMBER OF HOUSING UNITS  
 IN THE LAKESIDE JURISDICTIONAL AREA  
 1974 CONDITION YEAR BUILT

NUMBER OF EXISTING HOUSING UNITS



Year built:

Before 1940

1940-1949

1950-1959

1960-1969

1970-1974

TABLE 40  
**LAKESIDE AVERAGE BUILDING VALUES  
 BY YEAR BUILT & CONDITION**

VALUE IN DOLLARS

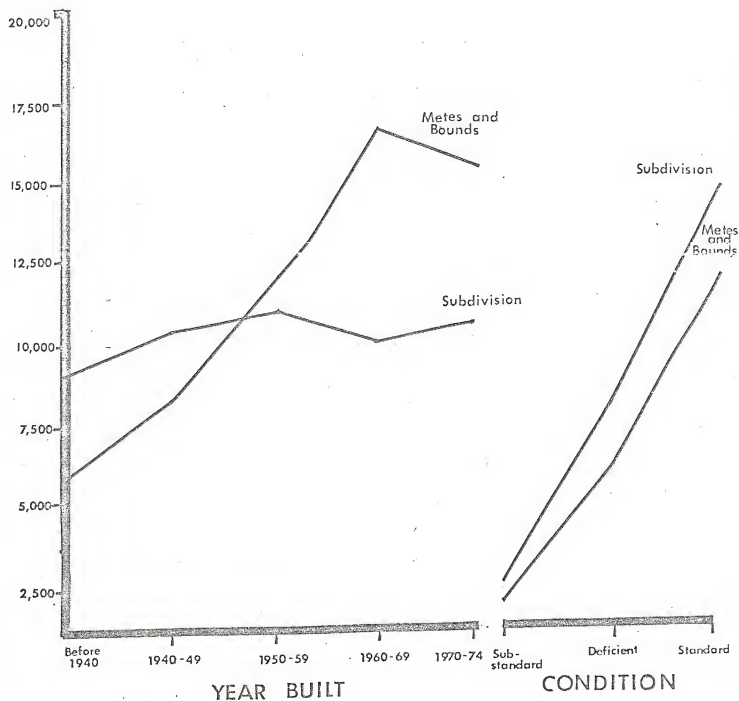


TABLE 41  
 ESTIMATED NUMBER OF HOUSING UNITS  
 1974 CONDITION AND YEAR BUILT  
 IN THE KALISPELL JURISDICTIONAL AREA  
*SOMERS*

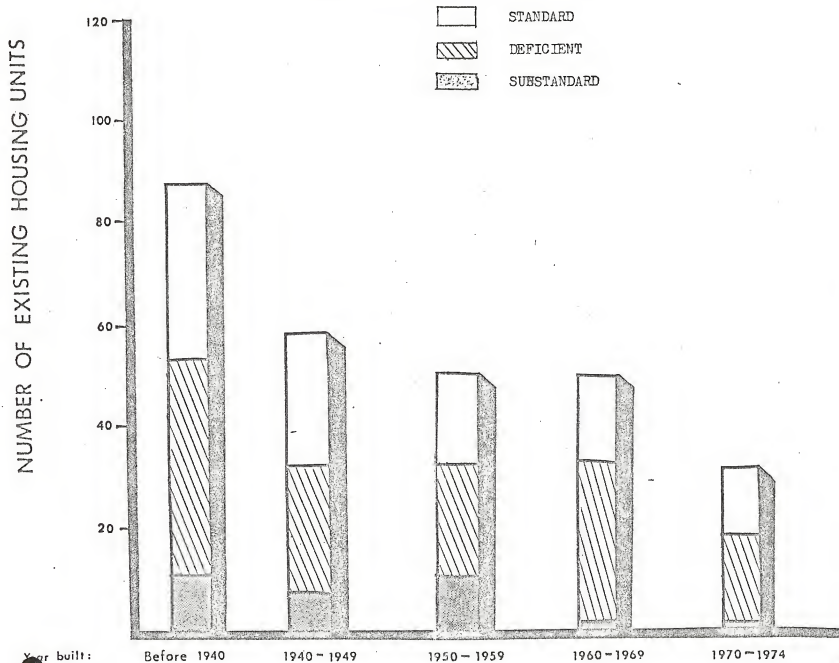
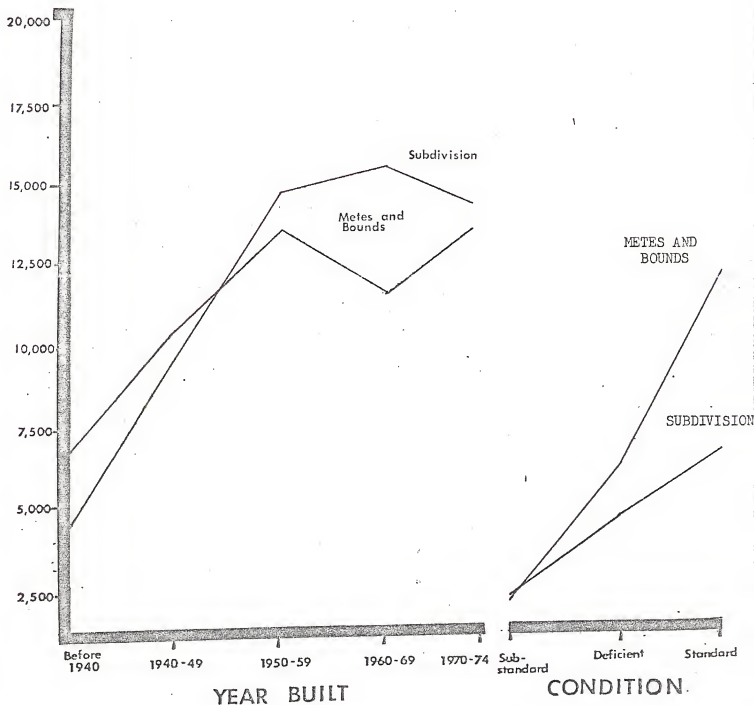


TABLE 41

# AVERAGE BUILDING VALUES BY YEAR BUILT & CONDITION

TABLE 42

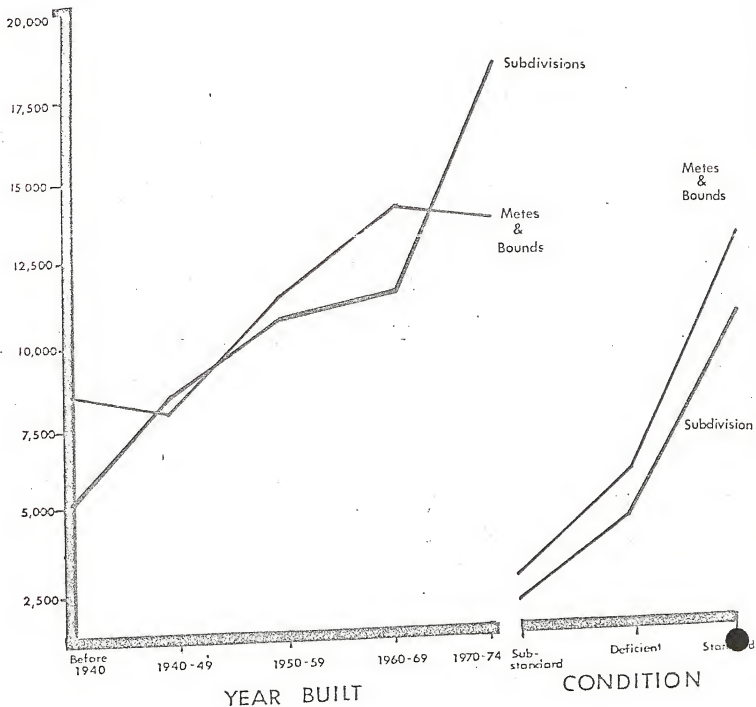
VALUE IN DOLLARS



FLATHEAD COUNTY RURAL COMMUNITIES **AVERAGE BUILDING VALUES**  
**BY YEAR BUILT & CONDITION**

TABLE 43

VALUE IN DOLLARS

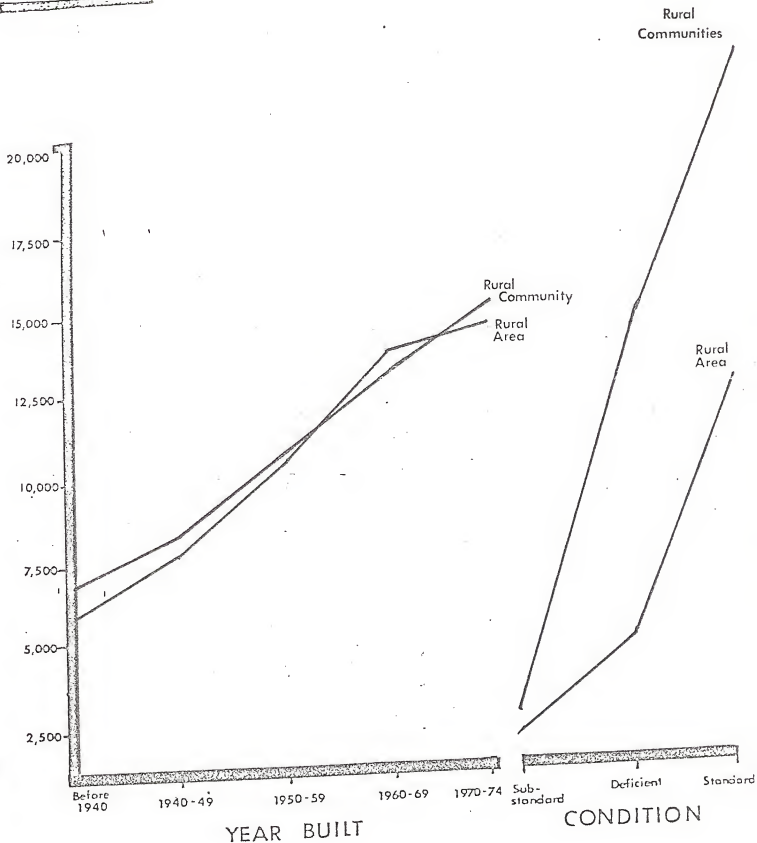




# AVERAGE BUILDING VALUES BY YEAR BUILT & CONDITION

TABLE 44

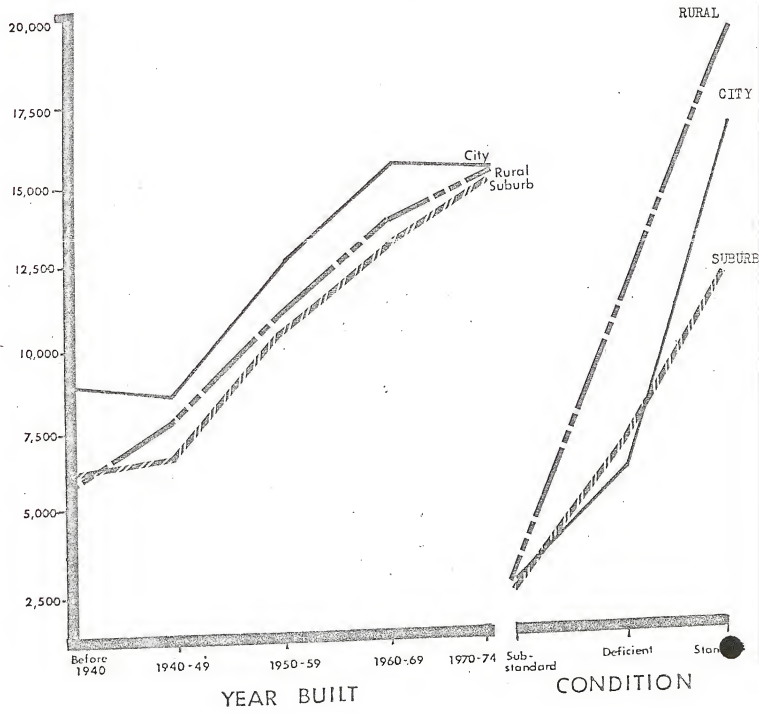
VALUE IN DOLLARS



AREAS  
 FLATHEAD COUNTY **AVERAGE BUILDING VALUES**  
 BY YEAR BUILT & CONDITION

TABLE 45

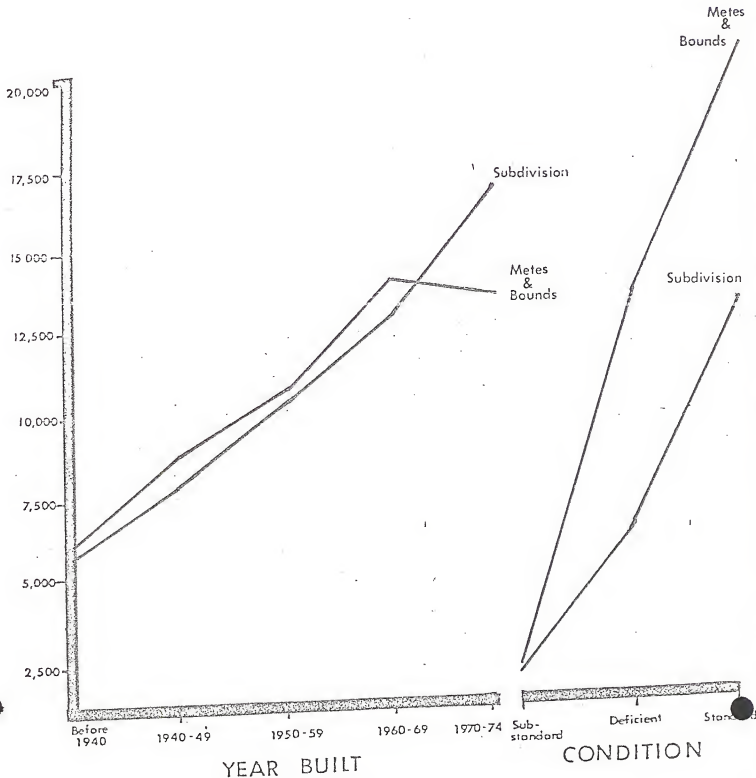
VALUE IN DOLLARS



FLATHEAD COUNTY JURISDICTION **AVERAGE BUILDING VALUES  
BY YEAR BUILT & CONDITION**

TABLE 46

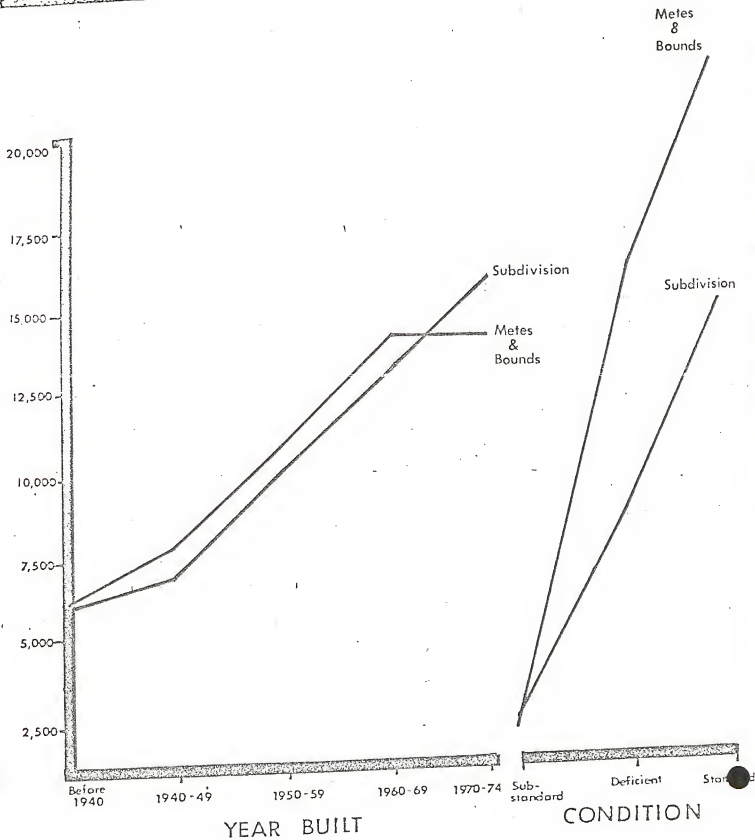
VALUE IN DOLLARS



# AVERAGE BUILDING VALUES BY YEAR BUILT & CONDITION

TABLE 47

VALUE IN DOLLARS

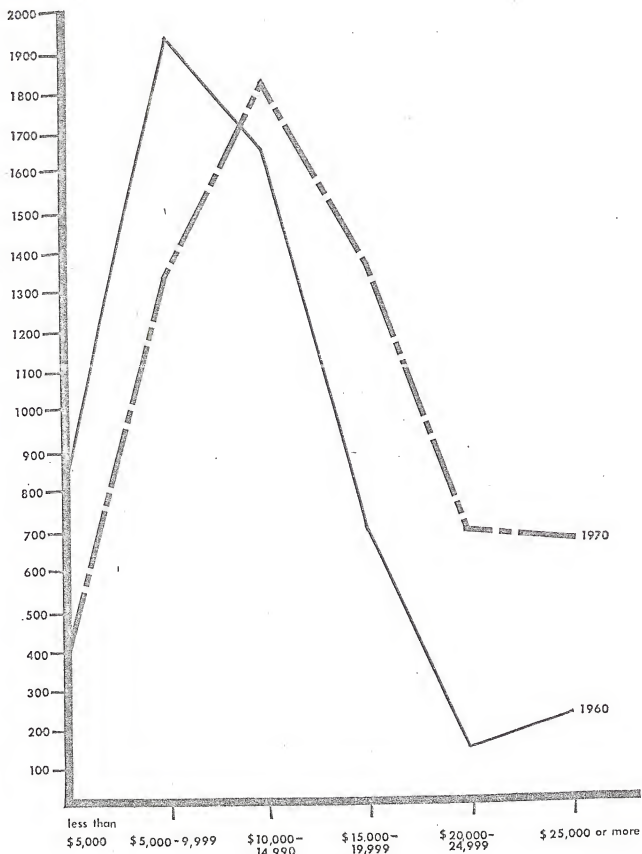


# FLATHEAD COUNTY

## VALUE OF OWNER OCCUPIED DWELLING UNITS

TABLE 48

DWELLING UNITS



FLATHEAD COUNTY  
MONTHLY CONTRACT RENT LEVELS

TABLE 49

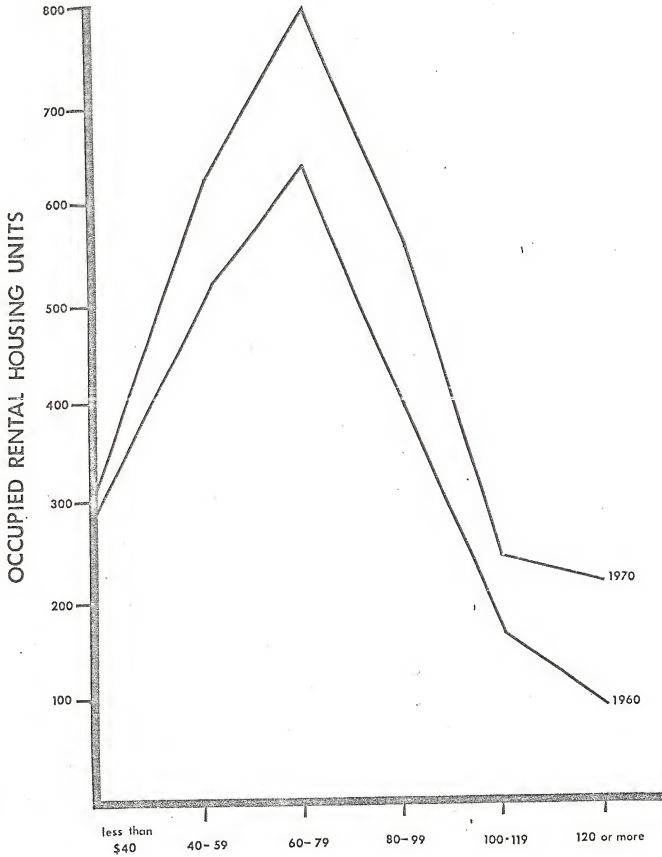
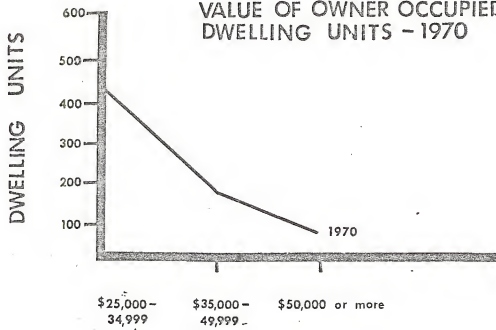


TABLE 50  
 FLATHEAD COUNTY

VALUE OF OWNER OCCUPIED  
 DWELLING UNITS - 1970



FLATHEAD COUNTY  
 RENT LEVELS

\$ 120 OR MORE

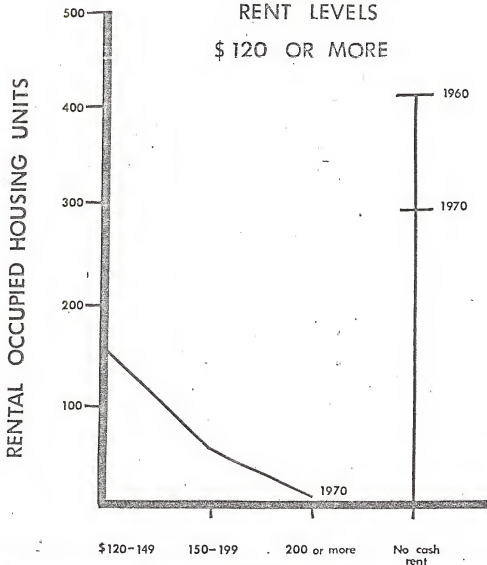


TABLE 51  
MONTHLY GROSS RENT LEVELS 1960-1970 CENSUS DATA  
OF RENTER OCCUPIED UNITS  
FLATHEAD COUNTY

VALUE	1960		1970	
	NUMBER	PERCENT	NUMBER	PERCENT
Total	2,554		3,085	
Less than \$40	312	12.2	103	3.3
\$ 40 to \$ 59	508	19.9	383	12.4
\$ 60 to \$ 79	658	25.8	630	20.4
\$ 80 to \$ 99	397	15.5	700	22.7
\$100 to \$149	269	10.5	859	27.9
\$150 to \$199			139	4.5
\$200 or more			36	1.2
No Cash Rent	410	16.1	235	7.6
Median	\$67		\$89	

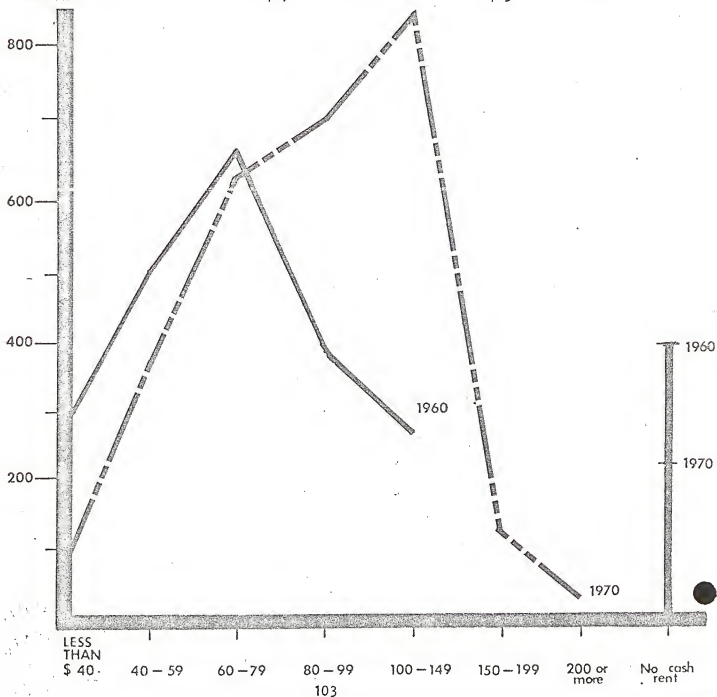




TABLE 52  
TOTAL PRODUCTION REQUIREMENTS (3)  
(DWELLING UNITS)

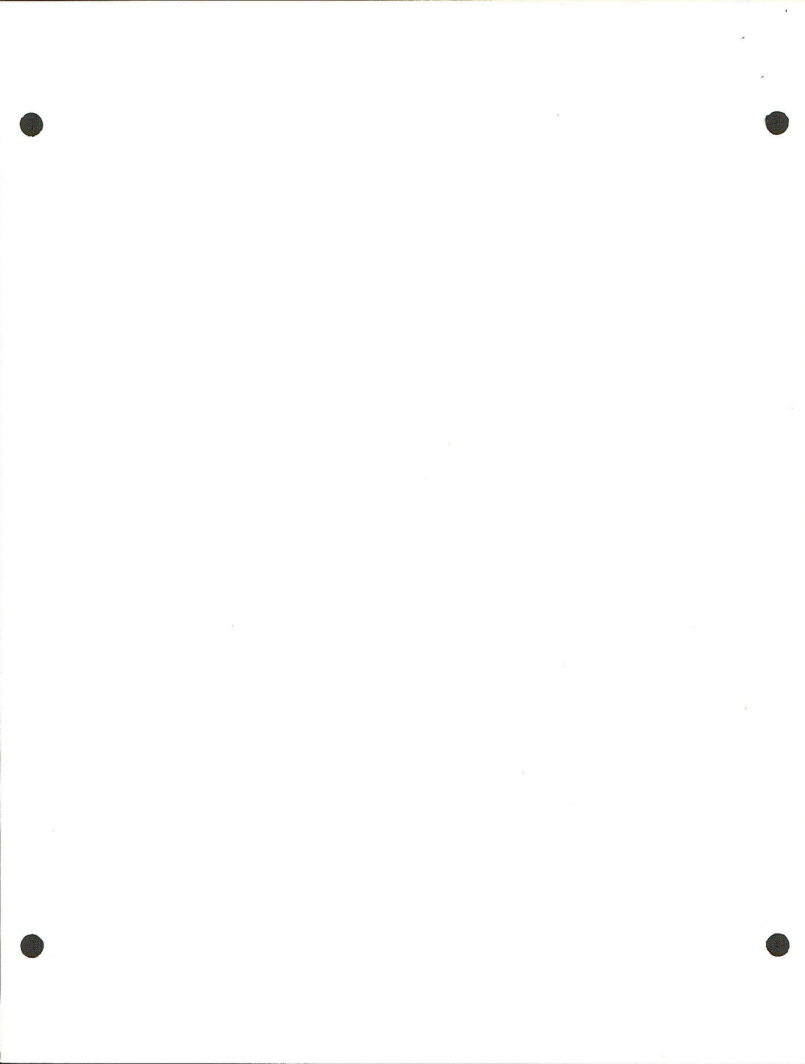
FLATHEAD COUNTY JURISDICTION

	<u>1974</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>TOTAL</u>
Growth		523	432	443	1,398
Replacement		61	69	75	205
Vacancy	NA	78	52	57	187
Reduction Substandard Stock	<u>117</u>	<u>117</u>	<u>116</u>	<u>116</u>	<u>466</u>
TOTALS	117	779	669	691	2,566

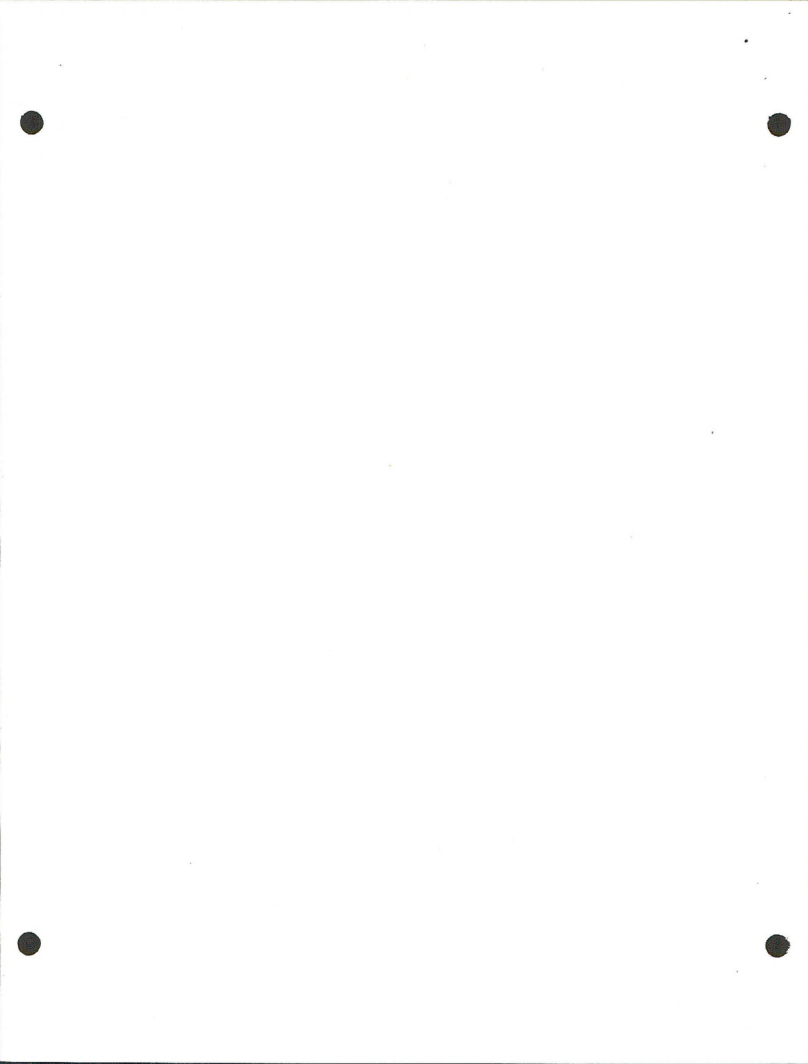
TOTAL PRODUCTION REQUIREMENTS  
(DWELLING UNITS)

FLATHEAD COUNTY

	<u>1974</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>TOTAL</u>
Growth		1,563	1,653	1,826	5,042
Replacement		196	227	251	674
Vacancy	238	245	196	227	906
Reduction Substandard Stock	<u>272</u>	<u>275</u>	<u>279</u>	<u>279</u>	<u>1,105</u>
TOTAL	510	2,279	2,355	2,583	7,727



LOCAL MORTGAGE MARKET



## LOCAL HOUSING MORTGAGE MARKET

### Existing Institutions

Flathead County enjoys the business of seven commercial banks which have a real estate lending history. Kalispell has a new bank which is not yet able to engage its resources in long-term mortgages. Three of the seven banks are in Kalispell. Whitefish has two, Columbia Falls and Bigfork each have one.

Kalispell is fortunate to have a Savings and Loan Association which serves Northwestern Montana. There is one branch office in the county which is located in Whitefish.

### Real Estate Lending Trends

Commercial banks in the Flathead before 1960 primarily served other businesses in their area. However, banking philosophy changed. The trend for full service banking for the individual savings account customer became the foremost philosophy. Prior to 1960 Savings and Loan Associations and insurance companies were prime home real estate lenders. Savings and Loan are chartered specifically to do home real estate lending. Insurance companies too did a fair amount of real estate lending. They are required by law to invest a portion of their reserves in the states where they do business. However, during the 1960's, insurance companies began to withdraw their assets from real estate investment. The primary causes were the reduction of governmental insurance of loans and secondly the desire to create a faster return on shorter, safer commercial or industrial loans and governmental securities. So the change in local banking philosophy in effect filled a vacancy created by the insurance companies. The impact of this condition caused the local economic conditions to have a much greater influence on the local housing mortgage market than it did before.

Commercial banks in the Flathead are traditionally not mortgage banks, meaning that they do not make loans and then sell them to other secondary financial institutions. The figures in the table then relating to the commercial lending history are indicative of a real gain or loss in the value of outstanding loans rather than the net result in the process of making loans and selling more or less to show a decrease or an increase.

Savings and Loan Associations are primarily real estate mortgage lenders with an emphasis on home mortgages. They provide funds for 50% of the homes financed nationally. Savings and Loans receive special higher deposit interest rates to attract funds for the community service of building homes, but are not allowed to operate with all the full banking services that the commercial banks have. This trade off of privileges and services makes these two institutions compatible. Savings and Loans do sell their loans, but more often buy them from other valley banks. Hence, the figures in the chart are indicative of local housing conditions.

The Farmers Home Administration is not really a financing institution. It does finance a few homes in the valley. In past years the number of homes financed is consistently less than 10 per year. However, recently they have been receiving more funds and an increased jurisdiction and have been making mortgages in excess of 10 per year. The criteria for getting a loan from this organization is proof of denial of financing from the other available institutions in the area. In effect, it is the last and almost desperate stop for the prospective home buyer. However, even with this organization the borrower must meet requirements for loan security. In addition, he is restricted as to the type of structure he can purchase. The recent increase in number of Farmers Home Administration loans granted (almost 100%) is caused by either of the following. These home buyers are new to the valley or they are natives who have been renting and learned about the Farmers Home loans. In either case, cause for denial of a loan from a local institution is attributable to lack of a savings history with a local bank, lack of resources for a down payment or income instability.

#### Commercial Real Estate Lending History

All local commercial banks participated in the tabulation of figures culminating in table X and graph Y. This information was collected from a yearly call report which provides the useful breakdowns of real estate loans into Farm, FHA/VA, Conventional 104 Residential and Commercial. Some banks had fiscal years ending in June, others ending in December. These figures were simply added together for the year in which respective fiscal years ended, rather than to try and interpolate six month intervals. Figures were tabulated, rounded to the nearest thousand. From 1960 to 1964, the figures contain breakdown estimates for the Bank of Columbia Falls because such information specifically was not available. The estimates are based on the trends of other banks during those years.

#### Farm Mortgages

Total outstanding mortgage values in Flathead County have increased seven fold from 300,000 to over 2,000,000 dollars. Farm lending values reflect quite closely the influence of the general economy and inflationary influences on the real value and cost of money in Flathead County. For instance, the growth of the economy in 1965 at the peak of the Vietnam War, the subsequent monetary slumps in 1967 of tight money and the end of the War and the beginning of a new administration with inflationary economic controls.

#### FHA/VA Mortgages

These were combined to show governmental influence in the real estate lending market. Separated, they exhibit unique trends because of the programs they were intended for. However, complete data was unavailable

GOVERNMENT PROGRAMS (7)

